

Town of Salisbury Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2021

As of the Measurement Date:
June 30, 2022

For the Reporting Date:
June 30, 2022

&

As of the Measurement Date:
June 30, 2023

For the Reporting Date:
June 30, 2023

Delivered September 27, 2022

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September 27, 2022

Personal and Confidential

Ms. Karen Snow
Finance Director
Town of Salisbury
5 Beach Road
Salisbury, MA 01952

Dear Ms. Snow:

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

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

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

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

Very truly yours,

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

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

September 27, 2022

ACTUARIAL CERTIFICATION

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

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

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

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

A handwritten signature in black ink, appearing to read 'P. Elmore', with a long horizontal flourish extending to the right.

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

EXECUTIVE SUMMARY

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

Plan Experience

For the year ending on the Measurement Date of June 30, 2022, the Plan saw an experience loss of \$644,050 or 6.32% of the beginning Total OPEB Liability ("TOL"). This was mainly due to a retiree over the age of 65 remaining in an Active health plan rather than enrolling in a Medicare Advantage plan.

Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by approximately \$710 thousand, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.00% to 6.10% decreasing the disclosed liability by approximately \$1.4 million.
- ✓ Due to updated guidance related to the implementation of ASOP 6, we have updated our methodology for calculating expected claims increasing the disclosed liability by approximately \$1.1 million.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs increasing the disclosed liability by approximately \$1.1 million.

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

Investment Experience

- ✓ During the period investments earned approximately \$130 thousand less than expected.

Changes in Benefit Terms

- ✓ The Town moved from a Medicare Advantage plan to a Medicare Advantage plan effective August 1, 2022. This decreased liabilities by \$3 million, which is to be recognized in full immediately.

EXECUTIVE SUMMARY

Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 6.33 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

Events Subsequent to the Measurement Date

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

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare Advantage) plans – represent 64.02% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare Advantage plans, which includes an assumed 9.00% increase in fiscal year 2022 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.10%) – Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing – Under Massachusetts law you may charge retirees up to 50% of premiums for health insurance

EXECUTIVE SUMMARY

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.09% as of June 30, 2022.
- ✓ Current Asset Level – The Town had \$658,662 of OPEB assets as of June 30, 2022.
- ✓ Future Funding Policy – The Town is expected to contribute \$100,000 annually beyond pay-as-you-go costs until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB.
- ✓ Investment Policy – The Town is expected to earn 6.10% per year on assets based on its investment policy.

Medicare Buy-In

The Town currently has 2 retirees or covered spouses who are over the age of 65 and are enrolled in Active medical plans rather than Medicare Advantage (Senior) plans. Under Actuarial Standards of Practice for OPEB, we are required to reflect the projected higher healthcare costs that occur as retirees age.

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

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2021	July 1, 2019
Measurement Date & Period Ending	June 30, 2022	June 30, 2021
Reporting Date/Fiscal Year End	June 30, 2022	June 30, 2021
Total OPEB Liability	9,448,152	10,197,848
Per Eligible Active Plan Participant	58,102	66,319
Per Retiree/Spouse Plan Participant	56,120	69,061
Total Annual Service Cost (Annual Benefit Accrual)	260,292	272,883
Per Eligible Active Plan Participant	2,740	3,249
Expected Employer Share of Retiree Costs	370,270	334,564
Per Retiree/Spouse Plan Participant	5,290	4,993
Net OPEB Liability as a % of Covered Payroll	119.48%	151.13%

EXECUTIVE SUMMARY

Low Default Risk Obligation Measure (LDROM)

For purposes of this LDROM, we have used a discount rate of 4.09% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDROM Total OPEB Liability is \$13 million vs. the \$9.4 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$4 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.

Liabilities & Benefit Payments in Today's Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2022	70	9,448,152	9,448,152	370,270	370,270
June 30, 2027	85	11,496,700	9,917,154	448,923	387,245
June 30, 2032	93	13,453,969	10,011,016	641,260	477,158
June 30, 2037	95	15,421,578	9,898,524	787,053	505,179
June 30, 2042	94	17,173,921	9,508,784	1,028,275	569,331
June 30, 2047	92	18,844,342	9,000,163	1,155,660	551,950
June 30, 2052	89	20,820,048	8,577,584	1,245,463	513,114

EXECUTIVE SUMMARY

Continuing OPEB Disclosures

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

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

<u>Fiscal Year Ending</u>	<u>Cost</u>
June 30, 2023 (Projected)	377,672
June 30, 2022	370,270
June 30, 2021	334,564
June 30, 2020	293,204
June 30, 2019	319,888
June 30, 2018	306,113

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2022 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$8,789,490 assuming a discount rate of 6.10%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$100,000 annually beyond pay-as-you-go costs until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB. The balance of this fund as of June 30, 2022 was \$658,662. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Salisbury Assuming Funding - 6.10% discount rate Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2021	July 1, 2019
For the Measurement Period ending on the Measurement Date of:	June 30, 2022	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2022	June 30, 2021
I. Total OPEB Liability		
A. Actives	5,519,732	5,570,777
B. Retirees/Disabled	<u>3,928,420</u>	<u>4,627,071</u>
C. Total	9,448,152	10,197,848
II. Fiduciary Net Position [Plan Assets]	658,662	519,002
III. Net OPEB Liability (Asset) [I. - II.]	8,789,490	9,678,846
IV. Funded Ratio [II. / I.]	6.97%	5.09%
V. Number of Eligible Participants		
A. Actives	95	84
B. Retirees/Disabled & Dependents	<u>70</u>	<u>67</u>
C. Total	165	151
VI. Service Cost	260,292	272,883
VII. Financial Statement Expense/(Income)	(1,709,091)	566,636
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(225,000)	(100,000)
IX. Deferred Inflow of Resources	(1,076,010)	(1,833,226)
X. Deferred Outflow of Resources	2,925,576	2,267,787
XI. Money Weighted Rate of Return	(16.44%)	26.91%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.09%	2.18%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.10%	6.47%
XIV. Crossover Year	N/A	Immediate
XV. Discount Rate	6.10%	5.00%

PRINCIPAL RESULTS OF THE VALUATION

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

	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Public Works Employees and Retirees	Sewer Enterprise Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability							
A. Actives	928,502	1,485,498	2,195,666	639,728	252,902	17,436	5,519,732
B. Retirees/Disabled	<u>463,375</u>	<u>2,453,368</u>	<u>852,811</u>	<u>126,646</u>	<u>32,220</u>	<u>0</u>	<u>3,928,420</u>
C. Total	1,391,877	3,938,866	3,048,477	766,374	285,122	17,436	9,448,152
II. Fiduciary Net Position [Plan Assets]	49,649	140,503	108,742	27,337	285,733	46,698	658,662
III. Net OPEB Liability (Asset) [I. - II.]	1,342,228	3,798,363	2,939,735	739,037	(611)	(29,262)	8,789,490
For the Reporting Date and Fiscal Year Ending June 30, 2022							
IV. Service Cost	74,801	94,343	65,258	17,044	8,846	0	260,292
V. Financial Statement Expense/(Income)	(210,928)	(720,438)	(564,349)	(141,492)	(65,630)	(6,254)	(1,709,091)
VI. Employer Share of Costs	(52,775)	(185,621)	(94,118)	(34,192)	(3,564)	0	(370,270)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(7,610)	(21,534)	(16,666)	(4,190)	(125,000)	(50,000)	(225,000)
VIII. Total Employer Contribution [VI. + VII.]	(60,385)	(207,155)	(110,784)	(38,382)	(128,564)	(50,000)	(595,270)

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

Funding - 6.10% 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 6.10% return	III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [III. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
		Date										
2022	June 30, 2022	9,448,152	658,662	8,789,490	6.97%	260,292	370,270	225,000	595,270	370,270	0	225,000
2023	June 30, 2023	9,863,586	801,845	9,061,741	8.13%	215,002	377,672	100,000	477,672	377,672	0	100,000
2024	June 30, 2024	10,261,941	953,762	9,308,179	9.29%	221,483	374,280	100,000	474,280	374,280	0	100,000
2025	June 30, 2025	10,668,161	1,114,946	9,553,215	10.45%	227,249	394,534	100,000	494,534	394,534	0	100,000
2026	June 30, 2026	11,082,906	1,285,963	9,796,943	11.60%	233,530	415,222	100,000	515,222	415,222	0	100,000
2027	June 30, 2027	11,496,700	1,467,412	10,029,288	12.76%	240,035	448,923	100,000	548,923	448,923	0	100,000
2028	June 30, 2028	11,895,718	1,659,929	10,235,789	13.95%	245,061	497,829	100,000	597,829	497,829	0	100,000
2029	June 30, 2029	12,272,198	1,864,190	10,408,008	15.19%	254,198	562,996	100,000	662,996	562,996	0	100,000
2030	June 30, 2030	12,646,560	2,080,910	10,565,650	16.45%	262,140	598,687	100,000	698,687	598,687	0	100,000
2031	June 30, 2031	13,060,647	2,310,850	10,749,797	17.69%	270,422	581,030	100,000	681,030	581,030	0	100,000
2032	June 30, 2032	13,453,969	2,554,817	10,899,152	18.99%	277,555	641,260	100,000	741,260	641,260	0	100,000
2033	June 30, 2033	13,876,779	2,813,666	11,063,113	20.28%	285,882	637,824	100,000	737,824	637,824	0	100,000
2034	June 30, 2034	14,301,739	3,088,304	11,213,435	21.59%	294,758	668,122	100,000	768,122	668,122	0	100,000
2035	June 30, 2035	14,704,978	3,379,695	11,325,283	22.98%	302,813	718,560	100,000	818,560	718,560	0	100,000
2036	June 30, 2036	15,056,478	6,054,680	9,001,798	40.21%	312,199	791,077	2,396,803	3,187,880	791,077	0	2,396,803
2037	June 30, 2037	15,421,578	8,892,839	6,528,739	57.66%	320,507	787,053	2,396,803	3,183,856	787,053	0	2,396,803
2038	June 30, 2038	15,779,666	11,904,126	3,875,540	75.44%	328,952	858,176	2,396,803	3,254,979	858,176	0	2,396,803
2039	June 30, 2039	16,132,808	15,099,101	1,033,707	93.59%	338,622	937,400	2,396,803	3,334,203	937,400	0	2,396,803
2040	June 30, 2040	16,520,487	18,488,970	(1,968,483)	111.92%	350,353	931,226	2,396,803	3,328,029	931,226	0	2,396,803
2041	June 30, 2041	16,809,458	18,974,264	(2,164,806)	112.88%	360,696	984,485	(623,789)	360,696	984,485	0	(623,789)
2042	June 30, 2042	17,173,921	19,452,876	(2,278,955)	113.27%	369,259	1,028,275	(659,016)	369,259	1,028,275	0	(659,016)
2043	June 30, 2043	17,537,266	19,929,623	(2,392,357)	113.64%	380,394	1,069,564	(689,170)	380,394	1,069,564	0	(689,170)
2044	June 30, 2044	17,914,953	20,428,519	(2,513,566)	114.03%	392,357	1,088,257	(695,900)	392,357	1,088,257	0	(695,900)
2045	June 30, 2045	18,228,561	20,917,208	(2,688,647)	114.75%	404,788	1,140,142	(735,354)	404,788	1,140,142	0	(735,354)
2046	June 30, 2046	18,557,430	21,431,493	(2,874,063)	115.49%	417,203	1,156,648	(739,445)	417,203	1,156,648	0	(739,445)
2047	June 30, 2047	18,844,342	21,991,258	(3,146,916)	116.70%	429,912	1,155,660	(725,748)	429,912	1,155,660	0	(725,748)
2048	June 30, 2048	19,145,240	22,586,048	(3,440,808)	117.97%	442,972	1,167,867	(724,895)	442,972	1,167,867	0	(724,895)
2049	June 30, 2049	19,579,202	23,189,065	(3,609,863)	118.44%	456,801	1,208,932	(752,131)	456,801	1,208,932	0	(752,131)
2050	June 30, 2050	19,951,045	23,807,174	(3,856,129)	119.33%	473,283	1,246,474	(773,191)	473,283	1,246,474	0	(773,191)
2051	June 30, 2051	20,359,462	24,490,190	(4,130,728)	120.29%	487,937	1,234,719	(746,782)	487,937	1,234,719	0	(746,782)
2052	June 30, 2052	20,820,048	25,220,947	(4,400,899)	121.14%	504,581	1,245,463	(740,882)	504,581	1,245,463	0	(740,882)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

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

1. OPEB Expense Development

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2022	
Description	Amount
I. Service Cost	260,292
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	513,763
III. Deferred (Inflows)/Outflows from Plan Experience*	279,274
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	(229,061)
V. Projected Earnings on OPEB Plan Investments	(40,726)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	17,682
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.]	801,224
X. Expense Related to Change in Benefit Terms***	(2,510,315)
XI. Financial Statement Expense/(Income) [IX. + X.]	(1,709,091)

* Amortized over 6.33 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

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

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances for the June 30, 2021 Reporting Date	10,197,848	519,002	9,678,846
II. Prior Period Adjustment	0	0	0
III. Balances for the June 30, 2021 Reporting Date with Adjustment [I. + II.]	10,197,848	519,002	9,678,846
Changes for the year:			
IV. Service Cost	260,292	0	260,292
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	513,763	0	513,763
VI. Changes in Benefit Terms *	(2,510,315)	0	(2,510,315)
VII. Change in Assumptions **	712,784	0	712,784
VIII. Differences Between Actual and Expected Experience **	644,050	0	644,050
IX. Net Investment Income	0	(85,340)	85,340
X. Employer Contributions to Trust	0	595,270	(595,270)
XI. Benefit Payments Withdrawn from Trust	0	(370,270)	370,270
XII. Benefit Payments Excluding Implicit Cost	(235,863)	0	(235,863)
XIII. Implicit Cost Amount	(134,407)	0	(134,407)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(370,270)	0	(370,270)
XV. Administrative Expense	0	0	0
XVI. Other Charges	0	0	0
XVII. Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	(749,696)	139,660	(889,356)
XVIII. Balances for the June 30, 2022 Reporting Date [III.+XVII.]	9,448,152	658,662	8,789,490

* Recognized Immediately

** Amortized over 6.33 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance	2022	2023	2024	2025	2026	2027
2017									
2018	531,654	6.12	103,589	85,613	85,613	17,976			
2019	0	6.12	0	0	0	0	0		
2020	592,860	6.45	317,112	91,916	91,916	91,916	91,916	41,364	
2021	0	6.45	0	0	0	0	0	0	0
2022	644,050	6.33	542,305	101,745	101,745	101,745	101,745	101,745	101,745
2023									
2024									
2025									
2026									
Total Remaining Balance			963,006						
Net increase (decrease) in OPEB Expense				279,274	279,274	211,637	193,661	143,109	101,745

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in Actuarial Assumptions	Recognition Period (years)	Remaining Balance	2022	2023	2024	2025	2026	2027
2017									
2018	(4,051,744)	6.12	(789,469)	(652,455)	(652,455)	(137,014)			
2019	0	6.12	0	0	0	0	0		
2020	2,419,919	6.45	1,294,376	375,181	375,181	375,181	375,181	168,833	
2021	(415,323)	6.45	(286,541)	(64,391)	(64,391)	(64,391)	(64,391)	(64,391)	(28,977)
2022	712,784	6.33	600,180	112,604	112,604	112,604	112,604	112,604	112,604
2023									
2024									
2025									
2026									
Total Remaining Balance			818,546						
Net increase (decrease) in OPEB Expense				(229,061)	(229,061)	286,380	423,394	217,046	83,627

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance	2022	2023	2024	2025	2026	2027
2017	5,117	5.00	0						
2018	9,398	5.00	0	1,878					
2019	5,809	5.00	1,161	1,162	1,161				
2020	11,442	5.00	4,578	2,288	2,288	2,290			
2021	(64,296)	5.00	(38,578)	(12,859)	(12,859)	(12,859)	(12,860)		
2022	126,066	5.00	100,853	25,213	25,213	25,213	25,213	25,214	
2023									
2024									
2025									
2026									
Total Remaining Balance			68,014						
Net increase (decrease) in OPEB Expense				17,682	15,803	14,644	12,353	25,214	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2022 to be Reported for the Fiscal Year Ending June 30, 2022			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions Made Subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	963,006	0	963,006
III. Changes of Assumptions	1,894,556	(1,076,010)	818,546
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	68,014	0	68,014
VI. Total [I. + II. + III. + IV.]	2,925,576	(1,076,010)	1,849,566

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows		
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2022 will be recognized in future years as shown below.		
	Year ending June 30:	
	2023	66,016
	2024	512,661
	2025	629,408
	2026	385,369
	2027	185,372
	Thereafter	70,740

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.10% as of June 30, 2022 and 5.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets was applied to all projected future benefits payments.

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2022 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$370,270. The Town also contributed \$225,000 to an OPEB Trust for a total contribution during the measurement period of \$595,270 to be reported on the financial statement for the fiscal year ending June 30, 2022.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	24.50%	Domestic Equity - Large Cap	4.42%
Domestic Equity - Small/Mid Cap	14.75%	Domestic Equity - Small/Mid Cap	4.81%
International Equity - Developed Market	12.25%	International Equity - Developed Market	4.91%
International Equity - Emerging Market	8.00%	International Equity - Emerging Market	5.58%
Domestic Fixed Income	22.75%	Domestic Fixed Income	1.00%
International Fixed Income	5.25%	International Fixed Income	1.04%
Alternatives	9.25%	Alternatives	5.98%
Real Estate	2.75%	Real Estate	6.25%
Cash	0.50%	Cash	0.00%
Total	100.00%		
		I. Real Rate of Return	3.85%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.35%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	6.10%

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

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2022	696,170	(595,270)	100,900	7,356,250	8.09%
June 30, 2021	693,423	(434,564)	258,859	6,404,140	6.79%
June 30, 2020	860,162	(343,204)	516,958	6,217,612	5.52%
June 30, 2019	643,587	(369,888)	273,699	5,853,673	6.32%
June 30, 2018	712,043	(356,113)	355,930	5,655,723	6.30%
June 30, 2017	694,556	(259,604)	434,952	4,497,990	5.77%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	7,522,965	8,789,490	10,373,880

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	10,191,870	6.10% 8,789,490	7,653,512

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2021	519,002	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>225,000</u>	0	0.0000
II. Total net external cash flow	225,000		
III. Earnings and increase in fair value	(85,340)		
IV. Ending value - June 30, 2022 [I.+II.+III.]	658,662		
Money Weighted Rate of Return	(16.44%)		
Asset Value - June 30, 2022	658,662		

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

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2022						Total
	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Public Works Employees and Retirees	Sewer Enterprise Employees and Retirees	Water Enterprise Employees and Retirees	
I. Total OPEB Liability as of June 30, 2022	1,391,877	3,938,866	3,048,477	766,374	285,122	17,436	9,448,152
II. Fiduciary Net Position as of June 30, 2022	49,649	140,503	108,742	27,337	285,733	46,698	658,662
III. Net OPEB Liability (Asset) as of June 30, 2022 [I. - II.]	1,342,228	3,798,363	2,939,735	739,037	(611)	(29,262)	8,789,490
IV. Service Cost	74,801	94,343	65,258	17,044	8,846	0	260,292
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	77,365	212,698	165,620	41,378	15,756	946	513,763
VI. Projected Earnings on OPEB Plan Investments	(3,283)	(9,252)	(7,173)	(1,800)	(16,526)	(2,692)	(40,726)
VII. Net Recognition of Deferred (Inflows)/Outflows	10,002	28,305	21,907	5,507	2,049	125	67,895
VIII. OPEB Plan Administrative Expense	0	0	0	0	0	0	0
IX. Expense Related to Change in Benefit Terms	(369,813)	(1,046,532)	(809,961)	(203,621)	(75,755)	(4,633)	(2,510,315)
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	(210,928)	(720,438)	(564,349)	(141,492)	(65,630)	(6,254)	(1,709,091)
XI. Employer Share of Costs	(52,775)	(185,621)	(94,118)	(34,192)	(3,564)	0	(370,270)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(7,610)	(21,534)	(16,666)	(4,190)	(125,000)	(50,000)	(225,000)
XIII. Total Employer Contribution [XI. + XII.]	(60,385)	(207,155)	(110,784)	(38,382)	(128,564)	(50,000)	(595,270)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(271,313)	(927,593)	(675,133)	(179,874)	(194,194)	(56,254)	(2,304,361)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

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

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

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	963,006
II. Deferred (Inflow)/Outflow from Investment Experience	68,014
III. Deferred (Inflow)/Outflow from Changes in Assumptions	818,546

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	2,278,854
II. Deferred Outflow created during the period	1,482,900
III. Deferred Outflow recognized during the period	797,600
IV. Change in Deferred Outflow (II. - III.)	685,300
V. Deferred Outflow at end of the period (I. + IV.)	2,964,154
VI. Deferred Inflow at the beginning of the period	(1,844,293)
VII. Deferred Inflow created during the period	0
VIII. Deferred Inflow recognized during the period	(729,705)
IX. Change in Deferred Inflow (VII. - VIII.)	729,705
X. Deferred Inflow at end of the period (VI. + IX.)	(1,114,588)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	9,678,846
II. Service Cost	260,292
III. Interest on Total OPEB Liability, Service Cost, and Payments	513,763
IV. Projected Investment Income	(40,726)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(595,270)
VII. Expense Related to Change in Benefit Terms	(2,510,315)
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	(2,372,256)
IX. Deferred Outflow created during the period	1,482,900
X. Deferred Inflow created during the period	0
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	8,789,490

Net OPEB Expense	
I. Service Cost	260,292
II. Interest on Total OPEB Liability, Service Cost, and Payments	513,763
III. Projected Investment Income	(40,726)
IV. Recognition of Deferred (Inflow)/Outflow	67,895
V. OPEB Plan Administrative Expense	0
VI. Expense Related to Change in Benefit Terms	(2,510,315)
VII. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V. + VI.)	(1,709,091)
VIII. Benefit Payments	(370,270)
IX. Contributions to Trust	(225,000)
X. Total Employer Payments (VIII. + IX.)	(595,270)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	(2,304,361)

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios						
Valuation Date	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2018	July 1, 2016
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	9,448,152	10,197,848	10,185,913	6,690,039	6,366,339	9,480,499
I. Service Cost	260,292	272,883	265,435	165,480	325,851	325,851
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	513,763	488,939	510,864	478,108	386,192	368,705
III. Changes in Benefit Terms	(2,510,315)	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	644,050	0	592,860	0	531,654	0
V. Changes of Assumptions	712,784	(415,323)	2,419,919	0	(4,051,744)	0
VI. Benefit Payments Excluding Implicit Cost	(235,863)	(243,314)	(225,280)	N/A	N/A	N/A
VII. Implicit Cost Amount	(134,407)	(91,250)	(67,924)	N/A	N/A	N/A
VIII. Total Benefit Payments	(370,270)	(334,564)	(293,204)	(319,888)	(306,113)	(209,604)
IX. Other	0	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(749,696)	11,935	3,495,874	323,700	(3,114,160)	484,952
XI. Total OPEB Liability - Beginning of Period	10,197,848	10,185,913	6,690,039	6,366,339	9,480,499	8,995,547
XII. Change Due to Proportional Share	0	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	10,197,848	10,185,913	6,690,039	6,366,339	9,480,499	8,995,547
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	9,448,152	10,197,848	10,185,913	6,690,039	6,366,339	9,480,499
Plan Fiduciary Net Position	658,662	519,002	330,160	271,886	210,097	162,024
XV. Earnings from Plan Investments	(85,340)	88,842	8,274	11,789	(1,927)	341
XVI. Employer Contribution to Trust	595,270	434,564	343,204	369,888	356,113	259,604
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(370,270)	(334,564)	(293,204)	(319,888)	(306,113)	(209,604)
XVIII. Administrative Expense	0	0	0	0	0	0
XIX. Other	0	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	139,660	188,842	58,274	61,789	48,073	50,341
XXI. Plan Fiduciary Net Position - Beginning of Period	519,002	330,160	271,886	210,097	162,024	111,683
XXII. Prior Period Adjustment	0	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	519,002	330,160	271,886	210,097	162,024	111,683
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	658,662	519,002	330,160	271,886	210,097	162,024
XXV. Net OPEB Liability [XIV.-XXIV.]	8,789,490	9,678,846	9,855,753	6,418,153	6,156,242	9,318,475
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	6.97%	5.09%	3.24%	4.06%	3.30%	1.70%
XXVII. Covered Employee Payroll	7,356,250	6,404,140	6,217,612	5,853,673	5,655,723	4,497,990
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	119.48%	151.13%	158.51%	109.64%	108.85%	207.17%
Single Discount Rate to Calculate Plan Liabilities	6.10%	5.00%	4.75%	7.50%	7.50%	4.00%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

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

Actuarially Determined Contribution - Deficiency / (Excess)						
For the Fiscal Year Ending:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	260,292	272,883	265,435	165,480	325,851	325,851
II. 30 Year Level Dollar Amortization of NOL	<u>435,878</u>	<u>420,540</u>	<u>594,727</u>	<u>478,107</u>	<u>386,192</u>	<u>368,705</u>
III. Actuarial Determined Contribution [I. + II.]	696,170	693,423	860,162	643,587	712,043	694,556
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(595,270)</u>	<u>(434,564)</u>	<u>(343,204)</u>	<u>(369,888)</u>	<u>(356,113)</u>	<u>(259,604)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	100,900	258,859	516,958	273,699	355,930	434,952
Covered Employee Payroll	7,356,250	6,404,140	6,217,612	5,853,673	5,655,723	4,497,990
Contributions as a % of Covered Employee Payroll	8.09%	6.79%	5.52%	6.32%	6.30%	5.77%
Discount Rate	6.10%	5.00%	4.75%	7.50%	7.50%	4.00%
Money Weighted Rate of Return	(16.44%)	26.91%	3.04%	5.48%	(1.16%)	0.25%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Notes to Required Supplementary Information:

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

Actuarial Assumptions:

Investment Rate of Return:	6.10%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	6.10%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2022 and for future periods
Salary Increases:	3.00% annually as of June 30, 2022 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

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

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Plan Membership

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

Retirees & Beneficiaries:	70
Actives:	<u>95</u>
Total:	165

Events Subsequent to the Measurement Date

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

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

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.00% to 6.10%.
- ✓ Due to updated guidance related to the implementation of ASOP 6, we have updated our methodology for calculating expected claims.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$225,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2022 Measurement Date. For the year ending on the June 30, 2022 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$370,270. \$134,407 of the \$370,270 represents implicit cost.

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex:	Male participants had female spouses and vice versa.
Spouse Age:	Male spouses were three years older than female spouses and same sex spouses were the same age.
Hire Age:	Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.
Retiree Age:	Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Advantage 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, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2022	7,356,250	0	7,356,250	0	370,270	0	370,270
June 30, 2023	6,885,568	691,370	7,576,938	0	377,672	0	377,672
June 30, 2024	6,553,511	1,250,735	7,804,246	0	374,280	0	374,280
June 30, 2025	6,255,387	1,782,986	8,038,373	0	394,534	0	394,534
June 30, 2026	5,996,439	2,283,085	8,279,524	0	415,222	0	415,222
June 30, 2027	5,730,816	2,797,094	8,527,910	0	448,923	0	448,923
June 30, 2028	5,393,712	3,390,035	8,783,747	0	497,829	0	497,829
June 30, 2029	5,126,719	3,920,540	9,047,259	0	562,996	0	562,996
June 30, 2030	4,894,222	4,424,455	9,318,677	0	598,687	0	598,687
June 30, 2031	4,676,509	4,921,728	9,598,237	0	581,030	0	581,030
June 30, 2032	4,433,815	5,452,369	9,886,184	0	641,260	0	641,260
June 30, 2033	4,229,922	5,952,848	10,182,770	0	635,630	2,194	637,824
June 30, 2034	4,061,918	6,426,335	10,488,253	0	662,060	6,062	668,122
June 30, 2035	3,857,101	6,945,800	10,802,901	0	707,009	11,551	718,560
June 30, 2036	3,689,660	7,437,328	11,126,988	0	771,500	19,577	791,077
June 30, 2037	3,521,359	7,939,439	11,460,798	0	757,243	29,810	787,053
June 30, 2038	3,331,004	8,473,618	11,804,622	0	822,234	35,942	858,176
June 30, 2039	3,155,620	9,003,141	12,158,761	0	893,908	43,492	937,400
June 30, 2040	3,045,856	9,477,668	12,523,524	0	878,474	52,752	931,226
June 30, 2041	2,936,396	9,962,834	12,899,230	0	925,791	58,694	984,485
June 30, 2042	2,763,446	10,522,761	13,286,207	0	962,985	65,290	1,028,275
June 30, 2043	2,616,517	11,068,276	13,684,793	0	992,982	76,582	1,069,564
June 30, 2044	2,490,091	11,605,246	14,095,337	0	996,923	91,334	1,088,257
June 30, 2045	2,360,511	12,157,686	14,518,197	0	1,029,944	110,198	1,140,142
June 30, 2046	2,232,082	12,721,661	14,953,743	0	1,021,623	135,025	1,156,648
June 30, 2047	2,088,620	13,313,735	15,402,355	0	991,449	164,211	1,155,660
June 30, 2048	1,937,558	13,926,868	15,864,426	0	982,628	185,239	1,167,867
June 30, 2049	1,770,438	14,569,921	16,340,359	0	999,162	209,770	1,208,932
June 30, 2050	1,652,159	15,178,411	16,830,570	0	1,007,916	238,558	1,246,474
June 30, 2051	1,484,797	15,850,690	17,335,487	0	974,531	260,188	1,234,719
June 30, 2052	1,332,342	16,523,210	17,855,552	0	961,769	283,694	1,245,463
June 30, 2053	1,176,210	17,215,009	18,391,219	0	977,509	313,435	1,290,944
June 30, 2054	1,057,438	17,885,518	18,942,956	0	890,064	345,131	1,235,195
June 30, 2055	953,339	18,557,906	19,511,245	0	859,309	380,879	1,240,188
June 30, 2056	804,304	19,292,278	20,096,582	0	850,099	422,608	1,272,707
June 30, 2057	671,571	20,027,908	20,699,479	0	790,946	467,128	1,258,074
June 30, 2058	558,011	20,762,452	21,320,463	0	772,247	506,802	1,279,049
June 30, 2059	453,693	21,506,384	21,960,077	0	770,903	550,447	1,321,350
June 30, 2060	373,705	22,245,174	22,618,879	0	699,087	598,146	1,297,233
June 30, 2061	317,250	22,980,195	23,297,445	0	675,233	643,167	1,318,400

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2062	224,147	23,772,221	23,996,368	0	684,588	690,238	1,374,826
June 30, 2063	163,254	24,553,005	24,716,259	0	650,543	743,960	1,394,503
June 30, 2064	127,271	25,330,476	25,457,747	0	629,749	799,864	1,429,613
June 30, 2065	73,249	26,148,230	26,221,479	0	615,983	860,720	1,476,703
June 30, 2066	59,734	26,948,389	27,008,123	0	614,315	929,183	1,543,498
June 30, 2067	48,676	27,769,691	27,818,367	0	587,516	1,001,086	1,588,602
June 30, 2068	39,630	28,613,288	28,652,918	0	565,008	1,071,395	1,636,403
June 30, 2069	18,320	29,494,186	29,512,506	0	556,758	1,146,861	1,703,619
June 30, 2070	0	30,397,881	30,397,881	0	547,140	1,227,391	1,774,531
June 30, 2071	0	31,309,817	31,309,817	0	537,125	1,304,787	1,841,912
June 30, 2072	0	32,249,112	32,249,112	0	528,069	1,384,218	1,912,287
June 30, 2073	0	33,216,585	33,216,585	0	513,226	1,469,086	1,982,312
June 30, 2074	0	34,213,083	34,213,083	0	502,305	1,555,485	2,057,790
June 30, 2075	0	35,239,475	35,239,475	0	490,361	1,644,514	2,134,875
June 30, 2076	0	36,296,659	36,296,659	0	472,290	1,738,497	2,210,787
June 30, 2077	0	37,385,559	37,385,559	0	456,835	1,833,923	2,290,758
June 30, 2078	0	38,507,126	38,507,126	0	438,332	1,933,567	2,371,899
June 30, 2079	0	39,662,340	39,662,340	0	416,604	2,037,144	2,453,748
June 30, 2080	0	40,852,210	40,852,210	0	398,846	2,144,869	2,543,715
June 30, 2081	0	42,077,776	42,077,776	0	375,544	2,255,547	2,631,091
June 30, 2082	0	43,340,109	43,340,109	0	351,230	2,368,215	2,719,445
June 30, 2083	0	44,640,312	44,640,312	0	329,063	2,486,073	2,815,136
June 30, 2084	0	45,979,521	45,979,521	0	305,707	2,607,470	2,913,177
June 30, 2085	0	47,358,907	47,358,907	0	282,003	2,731,444	3,013,447
June 30, 2086	0	48,779,674	48,779,674	0	257,596	2,860,928	3,118,524
June 30, 2087	0	50,243,064	50,243,064	0	235,488	2,994,749	3,230,237
June 30, 2088	0	51,750,356	51,750,356	0	213,693	3,132,688	3,346,381
June 30, 2089	0	53,302,867	53,302,867	0	191,716	3,275,564	3,467,280
June 30, 2090	0	54,901,953	54,901,953	0	170,789	3,424,212	3,595,001
June 30, 2091	0	56,549,012	56,549,012	0	150,985	3,577,141	3,728,126
June 30, 2092	0	58,245,482	58,245,482	0	132,397	3,734,785	3,867,182
June 30, 2093	0	59,992,846	59,992,846	0	115,118	3,898,310	4,013,428
June 30, 2094	0	61,792,631	61,792,631	0	99,199	4,067,452	4,166,651
June 30, 2095	0	63,646,410	63,646,410	0	84,690	4,241,565	4,326,255
June 30, 2096	0	65,555,802	65,555,802	0	71,599	4,421,822	4,493,421

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2022	519,002	370,270	225,000	595,270	0	370,270	370,270	(85,340)	658,662
June 30, 2023	658,662	377,672	90,875	468,547	0	377,672	377,672	39,243	788,780
June 30, 2024	788,780	374,280	83,974	458,254	0	374,280	374,280	50,639	923,393
June 30, 2025	923,393	394,534	77,819	472,353	0	394,534	394,534	58,665	1,059,877
June 30, 2026	1,059,877	415,222	72,425	487,647	0	415,222	415,222	66,829	1,199,131
June 30, 2027	1,199,131	448,923	67,201	516,124	0	448,923	448,923	75,166	1,341,498
June 30, 2028	1,341,498	497,829	61,406	559,235	0	497,829	497,829	83,677	1,486,581
June 30, 2029	1,486,581	562,996	56,666	619,662	0	562,996	562,996	92,384	1,635,631
June 30, 2030	1,635,631	598,687	52,521	651,208	0	598,687	598,687	101,352	1,789,504
June 30, 2031	1,789,504	581,030	48,723	629,753	0	581,030	581,030	110,624	1,948,851
June 30, 2032	1,948,851	641,260	44,849	686,109	0	641,260	641,260	120,228	2,113,928
June 30, 2033	2,113,928	635,630	41,540	677,170	0	637,824	637,824	130,198	2,283,472
June 30, 2034	2,283,472	662,060	38,728	700,788	0	668,122	668,122	140,456	2,456,594
June 30, 2035	2,456,594	707,009	35,704	742,713	0	718,560	718,560	150,925	2,631,672
June 30, 2036	2,631,672	771,500	794,769	1,566,269	0	791,077	791,077	184,414	3,591,278
June 30, 2037	3,591,278	757,243	736,424	1,493,667	0	787,053	787,053	241,196	4,539,088
June 30, 2038	4,539,088	822,234	676,325	1,498,559	0	858,176	858,176	297,207	5,476,678
June 30, 2039	5,476,678	893,908	622,053	1,515,961	0	937,400	937,400	352,769	6,408,008
June 30, 2040	6,408,008	878,474	582,928	1,461,402	0	931,226	931,226	408,405	7,346,589
June 30, 2041	7,346,589	925,791	545,611	1,471,402	0	984,485	984,485	464,537	8,298,043
June 30, 2042	8,298,043	962,985	498,520	1,461,505	0	1,028,275	1,028,275	521,160	9,252,433
June 30, 2043	9,252,433	992,982	458,266	1,451,248	0	1,069,564	1,069,564	578,169	10,212,286
June 30, 2044	10,212,286	996,923	423,421	1,420,344	0	1,088,257	1,088,257	635,673	11,180,046
June 30, 2045	11,180,046	1,029,944	389,696	1,419,640	0	1,140,142	1,140,142	693,693	12,153,237
June 30, 2046	12,153,237	1,021,623	357,761	1,379,384	0	1,156,648	1,156,648	752,098	13,128,071
June 30, 2047	13,128,071	991,449	325,016	1,316,465	0	1,155,660	1,155,660	810,579	14,099,455
June 30, 2048	14,099,455	982,628	292,727	1,275,355	0	1,167,867	1,167,867	868,863	15,075,806
June 30, 2049	15,075,806	999,162	259,688	1,258,850	0	1,208,932	1,208,932	927,427	16,053,151
June 30, 2050	16,053,151	1,007,916	235,280	1,243,196	0	1,246,474	1,246,474	986,312	17,036,185
June 30, 2051	17,036,185	974,531	205,288	1,179,819	0	1,234,719	1,234,719	1,045,376	18,026,661
June 30, 2052	18,026,661	961,769	178,844	1,140,613	0	1,245,463	1,245,463	1,105,000	19,026,811
June 30, 2053	19,026,811	977,509	153,287	1,130,796	0	1,290,944	1,290,944	1,165,242	20,031,905
June 30, 2054	20,031,905	890,064	133,795	1,023,859	0	1,235,195	1,235,195	1,225,967	21,046,536
June 30, 2055	21,046,536	859,309	117,110	976,419	0	1,240,188	1,240,188	1,287,358	22,070,125
June 30, 2056	22,070,125	850,099	95,925	946,024	0	1,272,707	1,272,707	1,349,160	23,092,602
June 30, 2057	23,092,602	790,946	77,762	868,708	0	1,258,074	1,258,074	1,410,985	24,114,221
June 30, 2058	24,114,221	772,247	62,730	834,977	0	1,279,049	1,279,049	1,472,852	25,143,001
June 30, 2059	25,143,001	770,903	49,518	820,421	0	1,321,350	1,321,350	1,535,211	26,177,283
June 30, 2060	26,177,283	699,087	39,600	738,687	0	1,297,233	1,297,233	1,598,004	27,216,741
June 30, 2061	27,216,741	675,233	32,638	707,871	0	1,318,400	1,318,400	1,661,202	28,267,414

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2062	28,267,414	684,588	22,388	706,976	0	1,374,826	1,374,826	1,724,985	29,324,549
June 30, 2063	29,324,549	650,543	15,831	666,374	0	1,394,503	1,394,503	1,789,273	30,385,693
June 30, 2064	30,385,693	629,749	11,982	641,731	0	1,429,613	1,429,613	1,853,887	31,451,698
June 30, 2065	31,451,698	615,983	6,695	622,678	0	1,476,703	1,476,703	1,918,755	32,516,428
June 30, 2066	32,516,428	614,315	5,301	619,616	0	1,543,498	1,543,498	1,983,661	33,576,207
June 30, 2067	33,576,207	587,516	4,194	591,710	0	1,588,602	1,588,602	2,048,275	34,627,590
June 30, 2068	34,627,590	565,008	3,315	568,323	0	1,636,403	1,636,403	2,112,383	35,671,893
June 30, 2069	35,671,893	556,758	1,488	558,246	0	1,703,619	1,703,619	2,176,030	36,702,550
June 30, 2070	36,702,550	547,140	0	547,140	0	1,774,531	1,774,531	2,238,856	37,714,015
June 30, 2071	37,714,015	537,125	0	537,125	0	1,841,912	1,841,912	2,300,555	38,709,783
June 30, 2072	38,709,783	528,069	0	528,069	0	1,912,287	1,912,287	2,361,297	39,686,862
June 30, 2073	39,686,862	513,226	0	513,226	0	1,982,312	1,982,312	2,420,899	40,638,675
June 30, 2074	40,638,675	502,305	0	502,305	0	2,057,790	2,057,790	2,478,959	41,562,149
June 30, 2075	41,562,149	490,361	0	490,361	0	2,134,875	2,134,875	2,535,291	42,452,926
June 30, 2076	42,452,926	472,290	0	472,290	0	2,210,787	2,210,787	2,589,628	43,304,057
June 30, 2077	43,304,057	456,835	0	456,835	0	2,290,758	2,290,758	2,641,547	44,111,681
June 30, 2078	44,111,681	438,332	0	438,332	0	2,371,899	2,371,899	2,690,813	44,868,927
June 30, 2079	44,868,927	416,604	0	416,604	0	2,453,748	2,453,748	2,737,005	45,568,788
June 30, 2080	45,568,788	398,846	0	398,846	0	2,543,715	2,543,715	2,779,696	46,203,615
June 30, 2081	46,203,615	375,544	0	375,544	0	2,631,091	2,631,091	2,818,421	46,766,489
June 30, 2082	46,766,489	351,230	0	351,230	0	2,719,445	2,719,445	2,852,756	47,251,030
June 30, 2083	47,251,030	329,063	0	329,063	0	2,815,136	2,815,136	2,882,313	47,647,270
June 30, 2084	47,647,270	305,707	0	305,707	0	2,913,177	2,913,177	2,906,483	47,946,283
June 30, 2085	47,946,283	282,003	0	282,003	0	3,013,447	3,013,447	2,924,723	48,139,562
June 30, 2086	48,139,562	257,596	0	257,596	0	3,118,524	3,118,524	2,936,513	48,215,147
June 30, 2087	48,215,147	235,488	0	235,488	0	3,230,237	3,230,237	2,941,124	48,161,522
June 30, 2088	48,161,522	213,693	0	213,693	0	3,346,381	3,346,381	2,937,853	47,966,687
June 30, 2089	47,966,687	191,716	0	191,716	0	3,467,280	3,467,280	2,925,968	47,617,091
June 30, 2090	47,617,091	170,789	0	170,789	0	3,595,001	3,595,001	2,904,643	47,097,522
June 30, 2091	47,097,522	150,985	0	150,985	0	3,728,126	3,728,126	2,872,949	46,393,330
June 30, 2092	46,393,330	132,397	0	132,397	0	3,867,182	3,867,182	2,829,993	45,488,538
June 30, 2093	45,488,538	115,118	0	115,118	0	4,013,428	4,013,428	2,774,801	44,365,029
June 30, 2094	44,365,029	99,199	0	99,199	0	4,166,651	4,166,651	2,706,267	43,003,844
June 30, 2095	43,003,844	84,690	0	84,690	0	4,326,255	4,326,255	2,623,234	41,385,513
June 30, 2096	41,385,513	71,599	0	71,599	0	4,493,421	4,493,421	2,524,516	39,488,207

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [III. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.10%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.10%]	
June 30, 2022	519,002	370,270	370,270	0	370,270	0	370,270	Sum of Column V.
June 30, 2023	658,662	377,672	377,672	0	355,959	0	355,959	10,891,846
June 30, 2024	788,780	374,280	374,280	0	332,480	0	332,480	
June 30, 2025	923,393	394,534	394,534	0	330,323	0	330,323	Sum of Column VI.
June 30, 2026	1,059,877	415,222	415,222	0	327,657	0	327,657	0
June 30, 2027	1,199,131	448,923	448,923	0	333,883	0	333,883	
June 30, 2028	1,341,498	497,829	497,829	0	348,970	0	348,970	Sum of Column VII.
June 30, 2029	1,486,581	562,996	562,996	0	371,961	0	371,961	[V. + VI.]
June 30, 2030	1,635,631	598,687	598,687	0	372,801	0	372,801	10,891,846
June 30, 2031	1,789,504	581,030	581,030	0	341,004	0	341,004	
June 30, 2032	1,948,851	641,260	641,260	0	354,716	0	354,716	
June 30, 2033	2,113,928	635,630	635,630	0	331,387	0	331,387	
June 30, 2034	2,283,472	662,060	662,060	0	325,321	0	325,321	
June 30, 2035	2,456,594	707,009	707,009	0	327,435	0	327,435	
June 30, 2036	2,631,672	771,500	771,500	0	336,760	0	336,760	
June 30, 2037	3,591,278	757,243	757,243	0	311,533	0	311,533	
June 30, 2038	4,539,088	822,234	822,234	0	318,823	0	318,823	
June 30, 2039	5,476,678	893,908	893,908	0	326,687	0	326,687	
June 30, 2040	6,408,008	878,474	878,474	0	302,588	0	302,588	
June 30, 2041	7,346,589	925,791	925,791	0	300,553	0	300,553	
June 30, 2042	8,298,043	962,985	962,985	0	294,654	0	294,654	
June 30, 2043	9,252,433	992,982	992,982	0	286,364	0	286,364	
June 30, 2044	10,212,286	996,923	996,923	0	270,971	0	270,971	
June 30, 2045	11,180,046	1,029,944	1,029,944	0	263,852	0	263,852	
June 30, 2046	12,153,237	1,021,623	1,021,623	0	246,673	0	246,673	
June 30, 2047	13,128,071	991,449	991,449	0	225,624	0	225,624	
June 30, 2048	14,099,455	982,628	982,628	0	210,760	0	210,760	
June 30, 2049	15,075,806	999,162	999,162	0	201,986	0	201,986	
June 30, 2050	16,053,151	1,007,916	1,007,916	0	192,041	0	192,041	
June 30, 2051	17,036,185	974,531	974,531	0	175,005	0	175,005	
June 30, 2052	18,026,661	961,769	961,769	0	162,783	0	162,783	
June 30, 2053	19,026,811	977,509	977,509	0	155,935	0	155,935	
June 30, 2054	20,031,905	890,064	890,064	0	133,822	0	133,822	
June 30, 2055	21,046,536	859,309	859,309	0	121,770	0	121,770	
June 30, 2056	22,070,125	850,099	850,099	0	113,539	0	113,539	
June 30, 2057	23,092,602	790,946	790,946	0	99,565	0	99,565	
June 30, 2058	24,114,221	772,247	772,247	0	91,623	0	91,623	
June 30, 2059	25,143,001	770,903	770,903	0	86,205	0	86,205	
June 30, 2060	26,177,283	699,087	699,087	0	73,679	0	73,679	
June 30, 2061	27,216,741	675,233	675,233	0	67,074	0	67,074	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.10%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.10%]
June 30, 2062	28,267,414	684,588	684,588	0	64,093	0	64,093
June 30, 2063	29,324,549	650,543	650,543	0	57,404	0	57,404
June 30, 2064	30,385,693	629,749	629,749	0	52,375	0	52,375
June 30, 2065	31,451,698	615,983	615,983	0	48,284	0	48,284
June 30, 2066	32,516,428	614,315	614,315	0	45,385	0	45,385
June 30, 2067	33,576,207	587,516	587,516	0	40,910	0	40,910
June 30, 2068	34,627,590	565,008	565,008	0	37,081	0	37,081
June 30, 2069	35,671,893	556,758	556,758	0	34,438	0	34,438
June 30, 2070	36,702,550	547,140	547,140	0	31,898	0	31,898
June 30, 2071	37,714,015	537,125	537,125	0	29,514	0	29,514
June 30, 2072	38,709,783	528,069	528,069	0	27,348	0	27,348
June 30, 2073	39,686,862	513,226	513,226	0	25,051	0	25,051
June 30, 2074	40,638,675	502,305	502,305	0	23,108	0	23,108
June 30, 2075	41,562,149	490,361	490,361	0	21,262	0	21,262
June 30, 2076	42,452,926	472,290	472,290	0	19,301	0	19,301
June 30, 2077	43,304,057	456,835	456,835	0	17,596	0	17,596
June 30, 2078	44,111,681	438,332	438,332	0	15,913	0	15,913
June 30, 2079	44,868,927	416,604	416,604	0	14,254	0	14,254
June 30, 2080	45,568,788	398,846	398,846	0	12,862	0	12,862
June 30, 2081	46,203,615	375,544	375,544	0	11,414	0	11,414
June 30, 2082	46,766,489	351,230	351,230	0	10,062	0	10,062
June 30, 2083	47,251,030	329,063	329,063	0	8,885	0	8,885
June 30, 2084	47,647,270	305,707	305,707	0	7,779	0	7,779
June 30, 2085	47,946,283	282,003	282,003	0	6,764	0	6,764
June 30, 2086	48,139,562	257,596	257,596	0	5,823	0	5,823
June 30, 2087	48,215,147	235,488	235,488	0	5,017	0	5,017
June 30, 2088	48,161,522	213,693	213,693	0	4,291	0	4,291
June 30, 2089	47,966,687	191,716	191,716	0	3,629	0	3,629
June 30, 2090	47,617,091	170,789	170,789	0	3,047	0	3,047
June 30, 2091	47,097,522	150,985	150,985	0	2,538	0	2,538
June 30, 2092	46,393,330	132,397	132,397	0	2,098	0	2,098
June 30, 2093	45,488,538	115,118	115,118	0	1,719	0	1,719
June 30, 2094	44,365,029	99,199	99,199	0	1,396	0	1,396
June 30, 2095	43,003,844	84,690	84,690	0	1,124	0	1,124
June 30, 2096	41,385,513	71,599	71,599	0	895	0	895

APPENDIX II – PLAN PROVISIONS

Plan Year

July 1 through June 30.

Premium Effective Date

Medicare Advantage Plans: effective August 1, 2022 (usually renews on January 1)

Active Plans: effective July 1, 2022

Dental Plans: N/A

Creditable Service

Elapsed time from date of hire to termination of service date.

Benefits Offered

Comprehensive Medical, Dental & \$5,000 of Group Term Life Insurance. The Town also pays half the deductible for Active plans.

Medicare Part A

To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.

Medicare Part B

Medicare Part B Premium reimbursements by the Town were not reflected in this valuation.

Medicare Part B Penalty reimbursements by the Town were not reflected in this valuation.

Surviving Spouse Coverage

Spousal benefits do not change after the death of a plan participant.

APPENDIX II – PLAN PROVISIONS

Eligibility

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

Participant Contributions

Group	Individual	Two-Person / Family
Medical	<ul style="list-style-type: none"> • Retirees pay 50% of premiums • The Town also reimburses 50% of the deductible for Active plans 	<ul style="list-style-type: none"> • Retirees pay 50% of premiums • The Town also reimburses 50% of the deductible for Active plans
Dental	Retirees pay 100% of premiums	Retirees pay 100% of premiums
Life	Retirees pay 50% 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-2016 for males and females, set forward 1 year for females
<u>Post-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
<u>Disabled Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year
<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>	6.10% per annum (previously 5.00%)
<u>Net Long Term Rate of Return</u>	6.10% (based on investment policy)
<u>Municipal Bond Rate</u>	4.09% as of June 30, 2022 (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, 2022
<u>Deductible reimbursement</u>	It was assumed that 50% of the first half of the deductible was submitted for reimbursement by each retiree.

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

Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

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

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

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

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

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

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

Spouse Participation Rate

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

Medicare Eligibility

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

Compensation Increases

3.00% per year.

Inflation Rate

2.50% per year.

COVID-19

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Implicit Subsidy

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

Impact of Implicit Subsidy		
	As of the Measurement Date	
Impact on Liability	<u>June 30, 2022</u>	<u>June 30, 2021</u>
I. Total OPEB Liability	9,448,152	10,197,848
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>5,879,087</u>	<u>8,064,030</u>
III. Liability from Implicit Subsidy [I. - II.]	3,569,065	2,133,818

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2022</u>	<u>June 30, 2021</u>
IV. Employer Payments (Including Implicit Subsidy)	370,270	334,564
V. Actual Employer Payments	<u>235,863</u>	<u>243,314</u>
VI. Implicit Subsidy [IV. - V.]	134,407	91,250

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS*

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,903	3,091	44 & Under	9,638	6,316	65 to 69	2,314	2,376
25 to 29	7,234	3,217	45 to 49	10,586	7,973	70 to 74	2,731	2,849
30 to 34	9,141	4,037	50 to 54	12,453	10,501	75 to 79	3,168	3,364
35 to 39	9,417	5,069	55 to 59	14,396	13,652	80 to 84	3,634	3,866
40 to 44	9,638	6,316	60 to 64	17,131	17,519	85 to 89	4,062	4,307
45 to 49	10,586	7,973	65 to 69	20,536	21,853	90 & Over	4,062	4,307
50 to 54	12,453	10,501	70 to 74	24,217	26,188			
55 to 59	14,396	13,652	75 to 79	28,124	30,929			
60 to 64	17,131	17,519	80 to 84	32,246	35,551			
65 to 69	20,536	21,853	85 to 89	36,808	40,694			
70 & Over	24,217	26,188	90 & Over	36,808	40,694			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Open Group Forecast

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

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

Additional Comments

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

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

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2021	July 1, 2019
A. Average Age at Hire	34.76	32.78
B. Average Service	<u>11.49</u>	<u>11.95</u>
C. Average Current Age	46.25	44.73

Retired Employees & Spouses

Valuation Date	July 1, 2021	July 1, 2019
A. Under Age 65	20	16
B. Age 65 & Over	<u>50</u>	<u>51</u>
C. Total	70	67

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	2									2
25-29	5	2								7
30-34	6	3	2							11
35-39	4	4	1	3						12
40-44	3	1	1	5	2					12
45-49	3	4	1	2	2					12
50-54	6	1	1	1	2	2	1			14
55-59	1	4		1	1	1	3	1		12
60-64	2	1	1	2	1	1	1			9
65-69	1	1			1	1				4
70+										
Total	33	20	7	15	9	4	5	1	1	95

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
*Tufts HMO Advantage 500	24		48	72
*Tufts HMO Advantage 1500 (HSA)	5		5	10
*Tufts Advantage PPO 1500	1			1
United Healthcare	1			1
Aetna Medicare Advantage	25	12		37
Total	56	12	53	121

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
*Tufts HMO Advantage 500	976.39		2,538.63
*Tufts HMO Advantage 1500 (HSA)	842.82		2,191.35
*Tufts Advantage PPO 1500	1,007.37		2,619.19
United Healthcare	313.50	627.00	
Aetna Medicare Advantage	286.00	572.00	
Dental Plan	N/A		N/A
*Average Deductible for Active plans	617.65		

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
*Tufts HMO Advantage 500	24		48	120	1,743,451.20	1,406,001.60
*Tufts HMO Advantage 1500 (HSA)	5		5	15	182,050.20	151,707.60
*Tufts Advantage PPO 1500	1			1	12,088.44	12,088.44
Total	30	0	53	136	1,937,589.84	1,569,797.64
Blended Average Monthly Rate:						\$ 961.89

	Medicare Advantage Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Aetna Medicare Advantage	25	12		49	168,168.00	168,168.00
Total	25	12	0	49	168,168.00	168,168.00
Blended Average Monthly Rate:						\$ 286.00

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

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

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

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

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

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

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

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

Identification of the Responsible Actuary

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

Identification of Actuarial Documents

The date of this document is September 27, 2022 and its subject is the Town of Salisbury's GASB 75 OPEB liabilities.

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

Disclosures in Actuarial Reports

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

APPENDIX VI – ASOP 41 DISCLOSURES

Events Subsequent to the Measurement Date

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

Actuarial Findings

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

Methods, Procedures, Assumptions, and Data

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

Assumptions or Methods Prescribed by Law

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

Responsibility for Assumptions and Methods

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

Deviation from the Guidance of an ASOP

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

Rounding

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

GLOSSARY

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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