

Town of Westford Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2023

As of the Measurement Date:
June 30, 2025

For the Reporting Date:
June 30, 2025

Delivered September 18, 2025



TABLE OF CONTENTS

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

September 18, 2025

Personal and Confidential

Mr. Dan O'Donnell
Budget Director
Town of Westford
55 Main Street
Westford, MA 01886

Dear Mr. O'Donnell:

We have performed an actuarial valuation of the Town of Westford 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, 2023. The figures presented in this report reflect the adoption, by the Town of Westford, 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

September 18, 2025

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Westford other postemployment benefit programs with a Valuation Date of July 1, 2023 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, there was no plan experience because this was an interim valuation.

Assumption Changes

One key assumption has changed since the prior valuation. The impact of this assumption change decreased disclosed liabilities by approximately \$680 thousand, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.98% to 6.03% decreasing the disclosed liability by approximately \$680 thousand.

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 \$500 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 6.42 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

Events Subsequent to the Measurement Date

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

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare supplement) plans – represent 67.11% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 4.96% increase in fiscal year 2025 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.03%) – 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 \$18,099,071 of OPEB assets as of June 30, 2025.
- ✓ Future Funding Policy – The Town is expected to contribute annually the service cost of employees hired after January 1, 2012. For the sake of this report, that was assumed to be \$1.1M beyond pay-as-you-go costs for FY 2026, increasing by \$100k annually thereafter.
- ✓ Investment Policy – The Town is expected to earn 6.11% 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 \$145.3 million vs. the \$122.9 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$22 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 16 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, 2023	July 1, 2023
Measurement Date & Period Ending	June 30, 2025	June 30, 2024
Reporting Date/Fiscal Year End	June 30, 2025	June 30, 2024
Total OPEB Liability	122,856,896	117,806,481
Per Eligible Active Plan Participant	67,309	66,231
Per Retiree/Spouse Plan Participant	81,753	75,889
Total Annual Service Cost (Annual Benefit Accrual)	3,035,763	3,379,261
Per Eligible Active Plan Participant	3,027	3,369
Expected Employer Share of Retiree Costs	4,401,672	3,972,143
Per Retiree/Spouse Plan Participant	6,502	5,867
Net OPEB Liability as a % of Covered Payroll	143.34%	144.07%

EXECUTIVE SUMMARY

Liabilities & Benefit Payments in Today’s Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2025	733	122,856,896	119,278,540	4,401,672	4,273,468
June 30, 2030	835	148,794,857	124,613,350	6,690,021	5,602,787
June 30, 2035	919	174,064,277	125,747,737	8,852,866	6,395,499
June 30, 2040	953	200,102,020	124,696,963	10,584,608	6,595,978
June 30, 2045	940	230,031,045	123,653,022	11,661,199	6,268,469
June 30, 2050	918	269,701,192	125,059,021	12,895,581	5,979,613
June 30, 2055	905	319,333,476	127,729,285	15,191,369	6,076,352

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)	4,876,751
June 30, 2025		4,401,672
June 30, 2024		3,972,143
June 30, 2023		3,538,142
June 30, 2022		3,440,619
June 30, 2021		3,169,596

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 \$104,757,825 assuming a discount rate of 6.03%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute annually the service cost of employees hired after January 1, 2012. For the sake of this report, that was assumed to be \$1.1M beyond pay-as-you-go costs for FY 2026, increasing by \$100k annually thereafter. The balance of this fund as of June 30, 2025 was \$18,099,071. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Westford
Assuming Funding - 6.03% discount rate
Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2023	July 1, 2023
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	67,510,438	66,429,904
B. Retirees/Disabled	<u>55,346,458</u>	<u>51,376,577</u>
C. Total	122,856,896	117,806,481
II. Fiduciary Net Position [Plan Assets]	18,099,071	15,581,831
III. Net OPEB Liability (Asset) [I. - II.]	104,757,825	102,224,650
IV. Funded Ratio [III. / I.]	14.73%	13.23%
V. Number of Eligible Participants		
A. Actives	1,003	1,003
B. Retirees/Disabled & Dependents	<u>677</u>	<u>677</u>
C. Total	1,680	1,680
VI. Service Cost	3,035,763	3,379,261
VII. Financial Statement Expense/(Income)	10,848,529	12,411,431
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(1,021,617)	(998,547)
IX. Deferred Inflow of Resources	(9,663,216)	(11,795,546)
X. Deferred Outflow of Resources	12,549,831	17,574,226
XI. Money Weighted Rate of Return	9.06%	11.24%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.81%	4.21%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.11%	6.21%
XIV. Crossover Year	2079	2074
XV. Discount Rate	6.03%	5.98%

PRINCIPAL RESULTS OF THE VALUATION

Town of Westford Plan Liabilities as of the June 30, 2025 Measurement Date

	Town Employees and Retirees	School Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Recreation Enterprise Employees and Retirees	Total
I. Total OPEB Liability								
A. Actives	4,195,660	52,511,155	5,228,387	4,023,567	881,333	257,832	412,504	67,510,438
B. Retirees/Disabled	<u>9,962,274</u>	<u>39,174,415</u>	<u>2,562,929</u>	<u>3,101,029</u>	<u>486,122</u>	<u>0</u>	<u>59,689</u>	<u>55,346,458</u>
C. Total	14,157,934	91,685,570	7,791,316	7,124,596	1,367,455	257,832	472,193	122,856,896
II. Fiduciary Net Position [Plan Assets]	1,938,151	12,551,299	1,066,592	975,322	1,467,770	35,296	64,641	18,099,071
III. Net OPEB Liability (Asset) [I. - II.]	12,219,783	79,134,271	6,724,724	6,149,274	(100,315)	222,536	407,552	104,757,825
For the Reporting Date and Fiscal Year Ending June 30, 2025								
IV. Service Cost	251,584	2,294,524	228,042	181,525	29,854	20,267	29,967	3,035,763
V. Financial Statement Expense/(Income)	793,066	8,477,198	758,670	664,333	53,077	38,798	63,387	10,848,529
VI. Employer Share of Costs	(812,760)	(3,187,081)	(173,470)	(181,544)	(44,477)	(3)	(2,337)	(4,401,672)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(116,536)	(754,679)	(64,132)	(58,644)	(21,617)	(2,122)	(3,887)	(1,021,617)
VIII. Total Employer Contribution [VI. + VII.]	(929,296)	(3,941,760)	(237,602)	(240,188)	(66,094)	(2,125)	(6,224)	(5,423,289)

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

Funding - 6.03% 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 6.11% return		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
			Measurement Date	6.11% return									
2025	June 30, 2025	122,856,896	18,099,071	104,757,825	14.73%	3,035,763	4,401,672	1,021,617	5,423,289	4,401,672	0	1,021,617	
2026	June 30, 2026	128,020,640	20,239,325	107,781,315	15.81%	3,089,093	4,876,751	1,004,178	5,880,929	4,876,751	0	1,004,178	
2027	June 30, 2027	133,218,249	22,609,055	110,609,194	16.97%	3,191,726	5,266,925	1,100,000	6,366,925	5,266,925	0	1,100,000	
2028	June 30, 2028	138,511,308	25,226,585	113,284,723	18.21%	3,297,560	5,586,510	1,200,000	6,786,510	5,586,510	0	1,200,000	
2029	June 30, 2029	143,678,558	28,107,056	115,571,502	19.56%	3,406,501	6,192,335	1,300,000	7,492,335	6,192,335	0	1,300,000	
2030	June 30, 2030	148,794,857	31,266,533	117,528,324	21.01%	3,517,394	6,690,021	1,400,000	8,090,021	6,690,021	0	1,400,000	
2031	June 30, 2031	153,964,687	34,722,064	119,242,623	22.55%	3,632,013	7,076,511	1,500,000	8,576,511	7,076,511	0	1,500,000	
2032	June 30, 2032	158,980,394	38,491,737	120,488,657	24.21%	3,746,740	7,672,781	1,600,000	9,272,781	7,672,781	0	1,600,000	
2033	June 30, 2033	163,922,465	42,594,747	121,327,718	25.98%	3,877,536	8,276,168	1,700,000	9,976,168	8,276,168	0	1,700,000	
2034	June 30, 2034	168,957,131	47,051,461	121,905,670	27.85%	3,997,534	8,536,973	1,800,000	10,336,973	8,536,973	0	1,800,000	
2035	June 30, 2035	174,064,277	51,883,490	122,180,787	29.81%	4,121,448	8,852,866	1,900,000	10,752,866	8,852,866	0	1,900,000	
2036	June 30, 2036	179,211,256	57,113,765	122,097,491	31.87%	4,258,147	9,090,751	2,000,000	11,090,751	9,090,751	0	2,000,000	
2037	June 30, 2037	184,605,417	66,783,999	117,821,418	36.18%	4,401,209	9,412,357	6,000,000	15,412,357	9,412,357	0	6,000,000	
2038	June 30, 2038	189,773,103	77,148,094	112,625,009	40.65%	4,547,181	9,719,043	6,100,000	15,819,043	9,719,043	0	6,100,000	
2039	June 30, 2039	194,782,701	88,145,435	106,637,266	45.25%	4,687,857	10,324,176	6,100,000	16,424,176	10,324,176	0	6,100,000	
2040	June 30, 2040	200,102,020	99,814,713	100,287,307	49.88%	4,843,085	10,584,608	6,100,000	16,684,608	10,584,608	0	6,100,000	
2041	June 30, 2041	205,420,396	112,196,984	93,223,412	54.62%	5,005,728	10,993,173	6,100,000	17,093,173	10,993,173	0	6,100,000	
2042	June 30, 2042	210,972,096	125,335,812	85,636,284	59.41%	5,176,628	11,416,938	6,100,000	17,516,938	11,416,938	0	6,100,000	
2043	June 30, 2043	217,037,447	139,277,422	77,760,025	64.17%	5,354,925	11,554,084	6,100,000	17,654,084	11,554,084	0	6,100,000	
2044	June 30, 2044	223,297,441	154,070,865	69,226,576	69.00%	5,542,130	11,652,543	6,100,000	17,752,543	11,652,543	0	6,100,000	
2045	June 30, 2045	230,031,045	169,768,187	60,262,858	73.80%	5,718,844	11,661,199	6,100,000	17,761,199	11,661,199	0	6,100,000	
2046	June 30, 2046	237,180,597	186,424,615	50,755,982	78.60%	5,918,485	11,914,564	6,100,000	18,014,564	11,914,564	0	6,100,000	
2047	June 30, 2047	244,781,125	204,098,751	40,682,374	83.38%	6,127,653	11,891,068	6,100,000	17,991,068	11,891,068	0	6,100,000	
2048	June 30, 2048	252,777,956	222,852,777	29,925,179	88.16%	6,339,558	12,264,008	6,100,000	18,364,008	12,264,008	0	6,100,000	
2049	June 30, 2049	260,847,524	242,752,674	18,094,850	93.06%	6,569,640	12,684,821	6,100,000	18,784,821	12,684,821	0	6,100,000	
2050	June 30, 2050	269,701,192	263,868,455	5,832,737	97.84%	6,798,657	12,895,581	6,100,000	18,995,581	12,895,581	0	6,100,000	
2051	June 30, 2051	278,607,317	286,274,410	(7,667,093)	102.75%	7,051,031	13,226,912	6,100,000	19,326,912	13,226,912	0	6,100,000	
2052	June 30, 2052	288,112,968	297,083,510	(8,970,542)	103.11%	7,305,458	13,792,484	(6,487,026)	7,305,458	13,792,484	0	(6,487,026)	
2053	June 30, 2053	297,964,255	308,442,616	(10,478,361)	103.52%	7,583,459	14,177,688	(6,594,229)	7,583,459	14,177,688	0	(6,594,229)	
2054	June 30, 2054	308,467,244	320,294,367	(11,827,123)	103.83%	7,859,351	14,649,092	(6,789,741)	7,859,351	14,649,092	0	(6,789,741)	
2055	June 30, 2055	319,333,476	332,599,941	(13,266,465)	104.15%	8,139,207	15,191,369	(7,052,162)	8,139,207	15,191,369	0	(7,052,162)	

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	3,035,763
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	7,096,667
III. Deferred (Inflows)/Outflows from Plan Experience*	143,975
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	1,962,834
V. Projected Earnings on OPEB Plan Investments	(999,265)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(391,445)
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.]	10,848,529
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	10,848,529

* Amortized over 6.42 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	117,806,481	15,581,831	102,224,650
II.	Prior Period Adjustment	0	0	0
III.	Balances for the June 30, 2024 Reporting Date with Adjustment [I. + II.]	117,806,481	15,581,831	102,224,650
Changes for the year:				
IV.	Service Cost	3,035,763	0	3,035,763
V.	Interest on Total OPEB Liability, Service Cost, and Benefit Payments	7,096,667	0	7,096,667
VI.	Changes in Benefit Terms *	0	0	0
VII.	Change in Assumptions **	(680,343)	0	(680,343)
VIII.	Differences Between Actual and Expected Experience **	0	0	0
IX.	Net Investment Income	0	1,495,623	(1,495,623)
X.	Employer Contributions to Trust	0	5,423,289	(5,423,289)
XI.	Benefit Payments Withdrawn from Trust	0	(4,401,672)	4,401,672
XII.	Benefit Payments Excluding Implicit Cost	(3,264,111)	0	(3,264,111)
XIII.	Implicit Cost Amount	(1,137,561)	0	(1,137,561)
XIV.	Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(4,401,672)	0	(4,401,672)
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.]	5,050,415	2,517,240	2,533,175
XVIII.	Balances for the June 30, 2025 Reporting Date [III.+XVII.]	122,856,896	18,099,071	104,757,825

* Recognized Immediately

** Amortized over 6.42 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	10,149,238	6.81	0						
2019	0	6.81	0	0					
2020	3,713,568	6.93	498,360	535,868	498,360				
2021	0	6.93	0	0	0	0			
2022	(3,246,007)	6.68	(1,302,291)	(485,929)	(485,929)	(485,929)	(330,433)		
2023	0	6.68	0	0	0	0	0	0	
2024	603,714	6.42	415,642	94,036	94,036	94,036	94,036	94,036	39,498
2025	0	6.42	0	0	0	0	0	0	0
2026									
Total Remaining Balance			(388,289)						
Net increase (decrease) in OPEB Expense				143,975	106,467	(391,893)	(236,397)	94,036	39,498

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	6.81	0						
2019	0	6.81	0	0					
2020	(6,561,176)	6.93	(880,508)	(946,778)	(880,508)				
2021	2,530,554	6.93	704,759	365,159	365,159	339,600			
2022	26,031,127	6.68	10,443,627	3,896,875	3,896,875	3,896,875	2,649,877		
2023	884,814	6.68	487,443	132,457	132,457	132,457	132,457	90,072	
2024	(8,852,588)	6.42	(6,094,774)	(1,378,907)	(1,378,907)	(1,378,907)	(1,378,907)	(1,378,907)	(579,146)
2025	(680,343)	6.42	(574,371)	(105,972)	(105,972)	(105,972)	(105,972)	(105,972)	(105,972)
2026									
Total Remaining Balance			4,086,176						
Net increase (decrease) in OPEB Expense				1,962,834	2,029,104	2,884,053	1,297,455	(1,394,807)	(685,118)

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	2029	2030
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017									
2018	(5,740)	5.00	0						
2019	(34,605)	5.00	0						
2020	353,346	5.00	0						
2021	(1,546,889)	5.00	0	(309,377)					
2022	1,427,565	5.00	285,513	285,513	285,513				
2023	(526,176)	5.00	(210,471)	(105,235)	(105,235)	(105,236)			
2024	(815,377)	5.00	(489,227)	(163,075)	(163,075)	(163,075)	(163,077)		
2025	(496,358)	5.00	(397,087)	(99,271)	(99,271)	(99,271)	(99,271)	(99,274)	
2026									
Total Remaining Balance			(811,272)						
Net increase (decrease) in OPEB Expense				(391,445)	(82,068)	(367,582)	(262,348)	(99,274)	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	914,002	(1,302,291)	(388,289)
III. Changes of Assumptions	11,635,829	(7,549,653)	4,086,176
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(811,272)	(811,272)
VI. Total [I. + II. + III. + IV.]	12,549,831	(9,663,216)	2,886,615

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	2,053,503
2027	2,124,578
2028	798,710
2029	(1,400,045)
2030	(645,620)
Thereafter	(44,511)

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.03% as of June 30, 2025 and 5.98% 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 until Fiscal Year 2079 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 \$4,401,672. The Town also contributed \$1,021,617 to an OPEB Trust for a total contribution during the measurement period of \$5,423,289 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	44.00%	Domestic Equity - Large Cap	4.52%
Domestic Equity - Small/Mid Cap	4.25%	Domestic Equity - Small/Mid Cap	5.06%
International Equity - Developed Market	8.25%	International Equity - Developed Market	5.08%
International Equity - Emerging Market	3.00%	International Equity - Emerging Market	5.80%
Dom Fixed	26.75%	Dom Fixed	2.44%
International Fixed Income	2.75%	International Fixed Income	2.13%
Alternatives	4.50%	Alternatives	6.09%
Real Estate	2.00%	Real Estate	3.73%
Cash	4.50%	Cash	0.00%
Total	100.00%		
		I. Real Rate of Return	3.86%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.36%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	6.11%

* 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	8,188,678	(5,423,289)	2,765,389	73,082,301	7.42%
June 30, 2024	8,378,315	(4,970,690)	3,407,625	70,953,690	7.01%
June 30, 2023	8,113,326	(4,809,887)	3,303,439	69,309,760	6.94%
June 30, 2022	7,146,651	(4,389,065)	2,757,586	67,291,029	6.52%
June 30, 2021	6,033,439	(4,396,871)	1,636,568	66,756,835	6.59%
June 30, 2020	7,331,061	(4,038,212)	3,292,849	64,812,462	6.23%
June 30, 2019	7,908,973	(3,558,335)	4,350,638	60,760,942	5.86%
June 30, 2018	8,017,242	(3,245,991)	4,771,251	58,991,206	5.50%
June 30, 2017	3,162,513	(3,162,513)	0	57,373,661	5.51%

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)	88,673,446	104,757,825	124,841,304

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>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	122,452,620	6.03% 104,757,825	90,438,171

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	15,581,831	12	1.0000
Monthly net external cash flows:			
July	1,021,617	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	0	0.0000
II. Total net external cash flow	1,021,617		
III. Earnings and increase in fair value	1,495,623		
IV. Ending value - June 30, 2025 [I.+II.+III.]	18,099,071		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2025 [IV.+V.]	18,099,071		
Money Weighted Rate of Return	9.06%		

EXHIBIT A

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

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2025							Total
	Town Employees and Retirees	School Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Recreation Enterprise Employees and Retirees	
I. Total OPEB Liability as of June 30, 2025	14,157,934	91,685,570	7,791,316	7,124,596	1,367,455	257,832	472,193	122,856,896
II. Fiduciary Net Position as of June 30, 2025	1,938,151	12,551,299	1,066,592	975,322	1,467,770	35,296	64,641	18,099,071
III. Net OPEB Liability (Asset) as of June 30, 2025 [I. - II.]	12,219,783	79,134,271	6,724,724	6,149,274	(100,315)	222,536	407,552	104,757,825
IV. Service Cost	251,584	2,294,524	228,042	181,525	29,854	20,267	29,967	3,035,763
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	449,846	5,597,850	480,962	437,380	83,321	16,892	30,416	7,096,667
VI. Projected Earnings on OPEB Plan Investments	(106,040)	(695,317)	(59,119)	(54,048)	(79,191)	(1,961)	(3,589)	(999,265)
VII. Net Recognition of Deferred (Inflows)/Outflows	197,676	1,280,141	108,785	99,476	19,093	3,600	6,593	1,715,364
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.]	793,066	8,477,198	758,670	664,333	53,077	38,798	63,387	10,848,529
XI. Employer Share of Costs	(812,760)	(3,187,081)	(173,470)	(181,544)	(44,477)	(3)	(2,337)	(4,401,672)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(116,536)	(754,679)	(64,132)	(58,644)	(21,617)	(2,122)	(3,887)	(1,021,617)
XIII. Total Employer Contribution [XI. + XII.]	(929,296)	(3,941,760)	(237,602)	(240,188)	(66,094)	(2,125)	(6,224)	(5,423,289)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(136,230)	4,535,438	521,068	424,145	(13,017)	36,673	57,163	5,425,240

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, 2023
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	(388,289)
II. Deferred (Inflow)/Outflow from Investment Experience	(811,272)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	4,086,176

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	18,145,252
II. Deferred Outflow created during the period	0
III. Deferred Outflow recognized during the period	5,309,908
IV. Change in Deferred Outflow (II. - III.)	(5,309,908)
V. Deferred Outflow at end of the period (I. + IV.)	12,835,344
VI. Deferred Inflow at the beginning of the period	(12,366,572)
VII. Deferred Inflow created during the period	(1,176,701)
VIII. Deferred Inflow recognized during the period	(3,594,544)
IX. Change in Deferred Inflow (VII. - VIII.)	2,417,843
X. Deferred Inflow at end of the period (VI. + IX.)	(9,948,729)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	102,224,650
II. Service Cost	3,035,763
III. Interest on Total OPEB Liability, Service Cost, and Payments	7,096,667
IV. Projected Investment Income	(999,265)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(5,423,289)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	3,709,876
IX. Deferred Outflow created during the period	0
X. Deferred Inflow created during the period	(1,176,701)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	104,757,825

Net OPEB Expense	
I. Service Cost	3,035,763
II. Interest on Total OPEB Liability, Service Cost, and Payments	7,096,667
III. Projected Investment Income	(999,265)
IV. Recognition of Deferred (Inflow)/Outflow	1,715,364
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.)	10,848,529
VIII. Benefit Payments	(4,401,672)
IX. Contributions to Trust	(1,021,617)
X. Total Employer Payments (VIII. + IX.)	(5,423,289)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	5,425,240

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2025 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2023	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
For the Reporting Period & Fiscal Year Ending on:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB Liability	122,856,896	117,806,481	120,063,845	113,216,312	86,032,528
I. Service Cost	3,035,763	3,379,261	3,216,021	2,417,074	2,216,467
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	7,096,667	6,584,392	6,284,840	5,422,209	5,194,612
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	0	603,714	0	(3,246,007)	0
V. Changes of Assumptions	(680,343)	(8,852,588)	884,814	26,031,127	2,530,554
VI. Benefit Payments Excluding Implicit Cost	(3,264,111)	(2,984,439)	(2,665,450)	(2,635,024)	(2,391,562)
VII. Implicit Cost Amount	(1,137,561)	(987,704)	(872,692)	(805,595)	(778,034)
VIII. Total Benefit Payments	(4,401,672)	(3,972,143)	(3,538,142)	(3,440,619)	(3,169,596)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	5,050,415	(2,257,364)	6,847,533	27,183,784	6,772,037
XI. Total OPEB Liability - Beginning of Period	117,806,481	120,063,845	113,216,312	86,032,528	79,260,491
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	117,806,481	120,063,845	113,216,312	86,032,528	79,260,491
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	122,856,896	117,806,481	120,063,845	113,216,312	86,032,528
Plan Fiduciary Net Position	18,099,071	15,581,831	13,017,229	10,583,134	10,384,412
XV. Earnings from Plan Investments	1,495,623	1,566,055	1,162,350	(749,724)	2,030,100
XVI. Employer Contribution to Trust	5,423,289	4,970,690	4,809,887	4,389,065	4,396,871
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(4,401,672)	(3,972,143)	(3,538,142)	(3,440,619)	(3,169,596)
XVIII. Administrative Expense	0	0	0	0	0
XIX. Other	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	2,517,240	2,564,602	2,434,095	198,722	3,257,375
XXI. Plan Fiduciary Net Position - Beginning of Period	15,581,831	13,017,229	10,583,134	10,384,412	7,127,037
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	15,581,831	13,017,229	10,583,134	10,384,412	7,127,037
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	18,099,071	15,581,831	13,017,229	10,583,134	10,384,412
XXV. Net OPEB Liability [XIV.-XXIV.]	104,757,825	102,224,650	107,046,616	102,633,178	75,648,116
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	14.73%	13.23%	10.84%	9.35%	12.07%
XXVII. Covered Employee Payroll	73,082,301	70,953,690	69,309,760	67,291,029	66,756,835
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	143.34%	144.07%	154.45%	152.52%	113.32%
Single Discount Rate to Calculate Plan Liabilities	6.03%	5.98%	5.42%	5.48%	6.25%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2025 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios				
Valuation Date	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	79,260,491	81,267,779	76,391,404	83,134,715
I. Service Cost	2,144,399	2,874,731	2,695,924	3,379,477
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	4,712,132	4,487,338	4,871,606	3,932,112
III. Changes in Benefit Terms	(3,050,640)	0	0	0
IV. Difference Between Expected & Actual Plan Experience	3,713,568	0	0	(2,545,735)
V. Changes of Assumptions	(6,561,176)	0	(12,065,335)	0
VI. Benefit Payments Excluding Implicit Cost	(2,226,176)	(2,126,291)	(1,926,448)	N/A
VII. Implicit Cost Amount	(739,395)	(359,403)	(319,058)	N/A
VIII. Total Benefit Payments	(2,965,571)	(2,485,694)	(2,245,506)	(2,042,259)
IX. Other	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(2,007,288)	4,876,375	(6,743,311)	2,723,595
XI. Total OPEB Liability - Beginning of Period	81,267,779	76,391,404	83,134,715	80,411,120
XII. Prior Period Adjustment	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	81,267,779	76,391,404	83,134,715	80,411,120
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	79,260,491	81,267,779	76,391,404	83,134,715
Plan Fiduciary Net Position	7,127,037	5,985,052	4,554,552	3,559,027
XV. Earnings from Plan Investments	69,344	357,859	(4,960)	152,263
XVI. Employer Contribution to Trust	4,038,212	3,558,335	3,245,991	3,162,513
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(2,965,571)	(2,485,694)	(2,245,506)	(2,042,259)
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.]	1,141,985	1,430,500	995,525	1,272,517
XXI. Plan Fiduciary Net Position - Beginning of Period	5,985,052	4,554,552	3,559,027	2,286,510
XXII. Prior Period Adjustment	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	5,985,052	4,554,552	3,559,027	2,286,510
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	7,127,037	5,985,052	4,554,552	3,559,027
XXV. Net OPEB Liability [XIV.-XXIV.]	72,133,454	75,282,727	71,836,852	79,575,688
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	8.99%	7.36%	5.96%	4.28%
XXVII. Covered Employee Payroll	64,812,462	60,760,942	58,991,206	57,373,661
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	111.30%	123.90%	121.78%	138.70%
Single Discount Rate to Calculate Plan Liabilities	6.50%	5.75%	5.75%	5.75%

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	3,035,763	3,379,261	3,216,021	2,417,062	2,216,467
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>5,152,915</u>	<u>4,999,054</u>	<u>4,897,305</u>	<u>4,729,589</u>	<u>3,816,972</u>
III. Actuarial Determined Contribution [I. + II.]	8,188,678	8,378,315	8,113,326	7,146,651	6,033,439
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(5,423,289)</u>	<u>(4,970,690)</u>	<u>(4,809,887)</u>	<u>(4,389,065)</u>	<u>(4,396,871)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>2,765,389</u>	<u>3,407,625</u>	<u>3,303,439</u>	<u>2,757,586</u>	<u>1,636,568</u>
Covered Employee Payroll	73,082,301	70,953,690	69,309,760	67,291,029	66,756,835
Contributions as a % of Covered Employee Payroll	7.42%	7.01%	6.94%	6.52%	6.59%
Discount Rate	6.03%	5.98%	5.42%	5.48%	6.25%
Money Weighted Rate of Return	9.06%	11.24%	10.18%	<u>(6.75%)</u>	24.63%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Actuarially Determined Contribution - Deficiency / (Excess) (Continued)				
<u>For the Fiscal Year Ending:</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	2,144,399	2,874,731	2,695,924	N/A
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>5,186,662</u>	<u>5,034,242</u>	<u>5,321,318</u>	<u>N/A</u>
III. Actuarial Determined Contribution [I. + II.]	7,331,061	7,908,973	8,017,242	3,162,513
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(4,038,212)</u>	<u>(3,558,335)</u>	<u>(3,245,991)</u>	<u>(3,162,513)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>3,292,849</u>	<u>4,350,638</u>	<u>4,771,251</u>	<u>0</u>
Covered Employee Payroll	64,812,462	60,760,942	58,991,206	57,373,661
Contributions as a % of Covered Employee Payroll	6.23%	5.86%	5.50%	5.51%
Discount Rate	6.50%	5.75%	5.75%	5.75%
Money Weighted Rate of Return	1.16%	6.63%	(0.12%)	14.69%

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
	Town Employees and Retirees	School Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Recreation Enterprise Employees and Retirees	
I. Service Cost	251,584	2,294,524	228,042	181,525	29,854	20,267	29,967	3,035,763
II. 30 Year Amortization of NOL Increasing by 3.00% per year	601,077	3,892,522	330,781	302,476	(4,934)	10,946	20,047	5,152,915
III. Actuarial Determined Contribution [I. + II.]	852,661	6,187,046	558,823	484,001	24,920	31,213	50,014	8,188,678
IV. Employer Share of Costs (Including Implicit Cost)	(812,760)	(3,187,081)	(173,470)	(181,544)	(44,477)	(3)	(2,337)	(4,401,672)
V. Employer OPEB Trust (Contribution)/Withdrawal	(116,536)	(754,679)	(64,132)	(58,644)	(21,617)	(2,122)	(3,887)	(1,021,617)
VI. Total Employer Contribution [IV. + V.]	(929,296)	(3,941,760)	(237,602)	(240,188)	(66,094)	(2,125)	(6,224)	(5,423,289)
VII. Contribution Deficiency / (Excess) [III. + VI.]	(76,635)	2,245,286	321,221	243,813	(41,174)	29,088	43,790	2,765,389

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, 2023.
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:	6.11%, 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:	6.03%, 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-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Plan Membership

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

Retirees & Beneficiaries:	677
Actives:	<u>1,003</u>
Total:	1,680

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 5.98% to 6.03%.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$1,021,617 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 \$4,401,672. \$1,137,561 of the \$4,401,672 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:	Two thirds of school participants were teachers.
Other Material Changes:	No other data changes were deemed to be material.

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2025	73,082,301	0	73,082,301	0	4,401,672	0	4,401,672
June 30, 2026	68,748,447	6,526,323	75,274,770	0	4,876,751	0	4,876,751
June 30, 2027	65,035,027	12,497,986	77,533,013	0	5,266,925	0	5,266,925
June 30, 2028	61,883,222	17,975,781	79,859,003	0	5,586,510	0	5,586,510
June 30, 2029	59,045,737	23,209,036	82,254,773	0	6,192,335	0	6,192,335
June 30, 2030	56,407,782	28,314,634	84,722,416	0	6,690,021	0	6,690,021
June 30, 2031	53,861,876	33,402,212	87,264,088	0	7,076,511	0	7,076,511
June 30, 2032	51,295,767	38,586,244	89,882,011	0	7,672,781	0	7,672,781
June 30, 2033	48,636,433	43,942,038	92,578,471	0	8,276,168	0	8,276,168
June 30, 2034	46,233,085	49,122,740	95,355,825	0	8,536,973	0	8,536,973
June 30, 2035	43,747,793	54,468,707	98,216,500	0	8,817,925	34,941	8,852,866
June 30, 2036	41,305,888	59,857,107	101,162,995	0	8,998,957	91,794	9,090,751
June 30, 2037	38,997,275	65,200,610	104,197,885	0	9,239,292	173,065	9,412,357
June 30, 2038	36,939,357	70,384,465	107,323,822	0	9,428,089	290,954	9,719,043
June 30, 2039	34,956,346	75,587,191	110,543,537	0	9,883,757	440,419	10,324,176
June 30, 2040	32,871,359	80,988,484	113,859,843	0	10,052,436	532,172	10,584,608
June 30, 2041	30,911,502	86,364,136	117,275,638	0	10,345,779	647,394	10,993,173
June 30, 2042	29,005,393	91,788,514	120,793,907	0	10,634,893	782,045	11,416,938
June 30, 2043	27,189,883	97,227,841	124,417,724	0	10,680,389	873,695	11,554,084
June 30, 2044	25,454,256	102,696,000	128,150,256	0	10,672,724	979,819	11,652,543
June 30, 2045	23,827,921	108,166,843	131,994,764	0	10,504,712	1,156,487	11,661,199
June 30, 2046	22,114,667	113,839,940	135,954,607	0	10,523,128	1,391,436	11,914,564
June 30, 2047	20,544,075	119,489,170	140,033,245	0	10,207,756	1,683,312	11,891,068
June 30, 2048	19,104,582	125,129,660	144,234,242	0	10,205,395	2,058,613	12,264,008
June 30, 2049	17,576,713	130,984,556	148,561,269	0	10,180,672	2,504,149	12,684,821
June 30, 2050	16,202,905	136,815,202	153,018,107	0	10,058,608	2,836,973	12,895,581
June 30, 2051	14,717,406	142,891,244	157,608,650	0	10,006,287	3,220,625	13,226,912
June 30, 2052	13,373,200	148,963,710	162,336,910	0	10,139,410	3,653,074	13,792,484
June 30, 2053	12,026,520	155,180,497	167,207,017	0	10,180,270	3,997,418	14,177,688
June 30, 2054	11,017,374	161,205,854	172,223,228	0	10,275,523	4,373,569	14,649,092
June 30, 2055	10,018,781	167,371,144	177,389,925	0	10,350,488	4,840,881	15,191,369
June 30, 2056	9,021,491	173,690,132	182,711,623	0	10,396,777	5,361,206	15,757,983
June 30, 2057	8,017,695	180,175,277	188,192,972	0	10,535,141	5,933,760	16,468,901
June 30, 2058	7,176,314	186,662,447	193,838,761	0	10,386,221	6,576,910	16,963,131
June 30, 2059	6,306,774	193,347,150	199,653,924	0	10,321,518	7,277,599	17,599,117
June 30, 2060	5,556,006	200,087,536	205,643,542	0	10,432,348	7,919,465	18,351,813
June 30, 2061	4,813,783	206,999,065	211,812,848	0	10,135,186	8,594,981	18,730,167
June 30, 2062	4,159,273	214,007,960	218,167,233	0	9,967,678	9,318,014	19,285,692
June 30, 2063	3,520,904	221,191,346	224,712,250	0	9,835,047	10,034,026	19,869,073
June 30, 2064	2,860,315	228,593,303	231,453,618	0	9,536,585	10,778,352	20,314,937

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

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2065	2,266,567	236,130,660	238,397,227	0	9,325,697	11,620,238	20,945,935
June 30, 2066	1,852,530	243,696,614	245,549,144	0	9,068,385	12,517,552	21,585,937
June 30, 2067	1,377,524	251,538,094	252,915,618	0	8,718,764	13,485,755	22,204,519
June 30, 2068	1,033,353	259,469,734	260,503,087	0	8,528,807	14,533,757	23,062,564
June 30, 2069	706,609	267,611,571	268,318,180	0	8,262,913	15,652,867	23,915,780
June 30, 2070	451,381	275,916,344	276,367,725	0	7,919,693	16,769,855	24,689,548
June 30, 2071	316,918	284,341,839	284,658,757	0	7,689,910	17,932,496	25,622,406
June 30, 2072	197,101	293,001,419	293,198,520	0	7,419,298	19,161,202	26,580,500
June 30, 2073	56,567	301,937,909	301,994,476	0	7,138,996	20,373,212	27,512,208
June 30, 2074	46,197	311,008,113	311,054,310	0	6,841,009	21,619,160	28,460,169
June 30, 2075	25,295	320,360,644	320,385,939	0	6,531,051	22,936,811	29,467,862
June 30, 2076	11,459	329,986,058	329,997,517	0	6,239,865	24,290,931	30,530,796
June 30, 2077	0	339,897,443	339,897,443	0	5,926,964	25,695,119	31,622,083
June 30, 2078	0	350,094,366	350,094,366	0	5,620,358	27,147,520	32,767,878
June 30, 2079	0	360,597,197	360,597,197	0	5,312,378	28,647,350	33,959,728
June 30, 2080	0	371,415,113	371,415,113	0	4,984,561	30,225,695	35,210,256
June 30, 2081	0	382,557,566	382,557,566	0	4,689,023	31,835,285	36,524,308
June 30, 2082	0	394,034,293	394,034,293	0	4,389,287	33,500,733	37,890,020
June 30, 2083	0	405,855,322	405,855,322	0	4,078,997	35,231,507	39,310,504
June 30, 2084	0	418,030,982	418,030,982	0	3,791,359	36,995,649	40,787,008
June 30, 2085	0	430,571,911	430,571,911	0	3,505,655	38,821,254	42,326,909
June 30, 2086	0	443,489,068	443,489,068	0	3,228,339	40,703,164	43,931,503
June 30, 2087	0	456,793,740	456,793,740	0	2,967,704	42,641,870	45,609,574
June 30, 2088	0	470,497,552	470,497,552	0	2,702,861	44,643,151	47,346,012
June 30, 2089	0	484,612,479	484,612,479	0	2,456,011	46,710,044	49,166,055
June 30, 2090	0	499,150,853	499,150,853	0	2,226,953	48,861,470	51,088,423
June 30, 2091	0	514,125,379	514,125,379	0	2,003,063	51,071,279	53,074,342
June 30, 2092	0	529,549,140	529,549,140	0	1,792,118	53,349,665	55,141,783
June 30, 2093	0	545,435,614	545,435,614	0	1,596,149	55,716,285	57,312,434
June 30, 2094	0	561,798,682	561,798,682	0	1,413,875	58,146,744	59,560,619
June 30, 2095	0	578,652,642	578,652,642	0	1,243,736	60,653,373	61,897,109
June 30, 2096	0	596,012,221	596,012,221	0	1,086,567	63,247,111	64,333,678
June 30, 2097	0	613,892,588	613,892,588	0	942,133	65,924,109	66,866,242
June 30, 2098	0	632,309,366	632,309,366	0	810,126	68,690,423	69,500,549
June 30, 2099	0	651,278,647	651,278,647	0	690,230	71,556,230	72,246,460

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2025	15,581,831	4,401,672	1,021,617	5,423,289	0	4,401,672	4,401,672	1,495,623	18,099,071
June 30, 2026	18,099,071	4,876,751	917,116	5,793,867	0	4,876,751	4,876,751	1,037,578	20,053,765
June 30, 2027	20,053,765	5,266,925	922,685	6,189,610	0	5,266,925	5,266,925	1,253,055	22,229,505
June 30, 2028	22,229,505	5,586,510	929,887	6,516,397	0	5,586,510	5,586,510	1,386,210	24,545,602
June 30, 2029	24,545,602	6,192,335	933,192	7,125,527	0	6,192,335	6,192,335	1,527,823	27,006,617
June 30, 2030	27,006,617	6,690,021	932,113	7,622,134	0	6,690,021	6,690,021	1,678,158	29,616,888
June 30, 2031	29,616,888	7,076,511	925,843	8,002,354	0	7,076,511	7,076,511	1,837,457	32,380,188
June 30, 2032	32,380,188	7,672,781	913,122	8,585,903	0	7,672,781	7,672,781	2,005,912	35,299,222
June 30, 2033	35,299,222	8,276,168	893,101	9,169,269	0	8,276,168	8,276,168	2,183,662	38,375,985
June 30, 2034	38,375,985	8,536,973	872,726	9,409,699	0	8,536,973	8,536,973	2,371,039	41,619,750
June 30, 2035	41,619,750	8,817,925	846,302	9,664,227	0	8,852,866	8,852,866	2,568,438	44,999,549
June 30, 2036	44,999,549	8,998,957	816,621	9,815,578	0	9,090,751	9,090,751	2,774,050	48,498,426
June 30, 2037	48,498,426	9,239,292	2,245,570	11,484,862	0	9,412,357	9,412,357	3,030,839	53,601,770
June 30, 2038	53,601,770	9,428,089	2,099,535	11,527,624	0	9,719,043	9,719,043	3,338,258	58,748,609
June 30, 2039	58,748,609	9,883,757	1,928,957	11,812,714	0	10,324,176	10,324,176	3,647,596	63,884,743
June 30, 2040	63,884,743	10,052,436	1,761,071	11,813,507	0	10,584,608	10,584,608	3,956,361	69,070,003
June 30, 2041	69,070,003	10,345,779	1,607,837	11,953,616	0	10,993,173	10,993,173	4,268,568	74,299,014
June 30, 2042	74,299,014	10,634,893	1,464,750	12,099,643	0	11,416,938	11,416,938	4,583,754	79,565,473
June 30, 2043	79,565,473	10,680,389	1,333,076	12,013,465	0	11,554,084	11,554,084	4,901,572	84,926,426
June 30, 2044	84,926,426	10,672,724	1,211,632	11,884,356	0	11,652,543	11,652,543	5,225,471	90,383,710
June 30, 2045	90,383,710	10,504,712	1,101,182	11,605,894	0	11,661,199	11,661,199	5,555,587	95,883,992
June 30, 2046	95,883,992	10,523,128	992,239	11,515,367	0	11,914,564	11,914,564	5,888,375	101,373,170
June 30, 2047	101,373,170	10,207,756	894,922	11,102,678	0	11,891,068	11,891,068	6,220,835	106,805,615
June 30, 2048	106,805,615	10,205,395	807,977	11,013,372	0	12,264,008	12,264,008	6,550,141	112,105,120
June 30, 2049	112,105,120	10,180,672	721,709	10,902,381	0	12,684,821	12,684,821	6,871,344	117,194,024
June 30, 2050	117,194,024	10,058,608	645,922	10,704,530	0	12,895,581	12,895,581	7,179,995	122,182,968
June 30, 2051	122,182,968	10,006,287	569,615	10,575,902	0	13,226,912	13,226,912	7,482,523	127,014,481
June 30, 2052	127,014,481	10,139,410	502,514	10,641,924	0	13,792,484	13,792,484	7,775,709	131,639,630
June 30, 2053	131,639,630	10,180,270	438,748	10,619,018	0	14,177,688	14,177,688	8,056,386	136,137,346
June 30, 2054	136,137,346	10,275,523	390,226	10,665,749	0	14,649,092	14,649,092	8,329,737	140,483,740
June 30, 2055	140,483,740	10,350,488	344,521	10,695,009	0	15,191,369	15,191,369	8,593,926	144,581,306
June 30, 2056	144,581,306	10,396,777	301,191	10,697,968	0	15,757,983	15,757,983	8,842,983	148,364,274
June 30, 2057	148,364,274	10,535,141	259,882	10,795,023	0	16,468,901	16,468,901	9,072,879	151,763,275
June 30, 2058	151,763,275	10,386,221	225,835	10,612,056	0	16,963,131	16,963,131	9,279,533	154,691,733
June 30, 2059	154,691,733	10,321,518	192,690	10,514,208	0	17,599,117	17,599,117	9,457,464	157,064,288
June 30, 2060	157,064,288	10,432,348	164,808	10,597,156	0	18,351,813	18,351,813	9,601,588	158,911,219
June 30, 2061	158,911,219	10,135,186	138,632	10,273,818	0	18,730,167	18,730,167	9,713,648	160,168,518
June 30, 2062	160,168,518	9,967,678	116,294	10,083,972	0	19,285,692	19,285,692	9,789,797	160,756,595
June 30, 2063	160,756,595	9,835,047	95,578	9,930,625	0	19,869,073	19,869,073	9,825,105	160,643,252
June 30, 2064	160,643,252	9,536,585	75,384	9,611,969	0	20,314,937	20,314,937	9,817,572	159,757,856

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	III. Contributions to		IV. Gross	V. Administrative	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
		II. Employer Share of Benefit Payments for Current Plan Members	Trust for Current Plan Members beyond Pay-as-you-go	Contributions to Trust for Current Plan Members [III. + III.]	Expenses Withdrawn from the Trust for Current Plan Members				
June 30, 2065	159,757,856	9,325,697	57,996	9,383,693	0	20,945,935	20,945,935	9,762,951	157,958,565
June 30, 2066	157,958,565	9,068,385	46,021	9,114,406	0	21,585,937	21,585,937	9,652,653	155,139,687
June 30, 2067	155,139,687	8,718,764	33,224	8,751,988	0	22,204,519	22,204,519	9,480,035	151,167,191
June 30, 2068	151,167,191	8,528,807	24,197	8,553,004	0	23,062,564	23,062,564	9,237,044	145,894,675
June 30, 2069	145,894,675	8,262,913	16,064	8,278,977	0	23,915,780	23,915,780	8,914,648	139,172,520
June 30, 2070	139,172,520	7,919,693	9,963	7,929,656	0	24,689,548	24,689,548	8,503,741	130,916,369
June 30, 2071	130,916,369	7,689,910	6,791	7,696,701	0	25,622,406	25,622,406	7,999,195	120,989,859
June 30, 2072	120,989,859	7,419,298	4,101	7,423,399	0	26,580,500	26,580,500	7,392,604	109,225,362
June 30, 2073	109,225,362	7,138,996	1,143	7,140,139	0	27,512,208	27,512,208	6,673,704	95,526,997
June 30, 2074	95,526,997	6,841,009	906	6,841,915	0	28,460,169	28,460,169	5,836,727	79,745,470
June 30, 2075	79,745,470	6,531,051	482	6,531,533	0	29,467,862	29,467,862	4,872,463	61,681,604
June 30, 2076	61,681,604	6,239,865	212	6,240,077	0	30,530,796	30,530,796	3,768,752	41,159,637
June 30, 2077	41,159,637	5,926,964	0	5,926,964	0	31,622,083	31,622,083	2,514,854	17,979,372
June 30, 2078	17,979,372	5,620,358	0	5,620,358	0	32,767,878	32,767,878	1,098,540	0
June 30, 2079	0	5,312,378	0	5,312,378	0	33,959,728	33,959,728	0	0
June 30, 2080	0	4,984,561	0	4,984,561	0	35,210,256	35,210,256	0	0
June 30, 2081	0	4,689,023	0	4,689,023	0	36,524,308	36,524,308	0	0
June 30, 2082	0	4,389,287	0	4,389,287	0	37,890,020	37,890,020	0	0
June 30, 2083	0	4,078,997	0	4,078,997	0	39,310,504	39,310,504	0	0
June 30, 2084	0	3,791,359	0	3,791,359	0	40,787,008	40,787,008	0	0
June 30, 2085	0	3,505,655	0	3,505,655	0	42,326,909	42,326,909	0	0
June 30, 2086	0	3,228,339	0	3,228,339	0	43,931,503	43,931,503	0	0
June 30, 2087	0	2,967,704	0	2,967,704	0	45,609,574	45,609,574	0	0
June 30, 2088	0	2,702,861	0	2,702,861	0	47,346,012	47,346,012	0	0
June 30, 2089	0	2,456,011	0	2,456,011	0	49,166,055	49,166,055	0	0
June 30, 2090	0	2,226,953	0	2,226,953	0	51,088,423	51,088,423	0	0
June 30, 2091	0	2,003,063	0	2,003,063	0	53,074,342	53,074,342	0	0
June 30, 2092	0	1,792,118	0	1,792,118	0	55,141,783	55,141,783	0	0
June 30, 2093	0	1,596,149	0	1,596,149	0	57,312,434	57,312,434	0	0
June 30, 2094	0	1,413,875	0	1,413,875	0	59,560,619	59,560,619	0	0
June 30, 2095	0	1,243,736	0	1,243,736	0	61,897,109	61,897,109	0	0
June 30, 2096	0	1,086,567	0	1,086,567	0	64,333,678	64,333,678	0	0
June 30, 2097	0	942,133	0	942,133	0	66,866,242	66,866,242	0	0
June 30, 2098	0	810,126	0	810,126	0	69,500,549	69,500,549	0	0
June 30, 2099	0	690,230	0	690,230	0	72,246,460	72,246,460	0	0

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.11%]	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 [6.03%]	
June 30, 2025	15,581,831	4,401,672	4,401,672	0	4,401,672	0	4,401,672	Sum of Column V.
June 30, 2026	18,099,071	4,876,751	4,876,751	0	4,595,939	0	4,599,427	135,140,397
June 30, 2027	20,053,765	5,266,925	5,266,925	0	4,677,831	0	4,684,934	
June 30, 2028	22,229,505	5,586,510	5,586,510	0	4,675,969	0	4,686,623	Sum of Column VI.
June 30, 2029	24,545,602	6,192,335	6,192,335	0	4,884,602	0	4,899,447	3,355,199
June 30, 2030	27,006,617	6,690,021	6,690,021	0	4,973,314	0	4,992,215	
June 30, 2031	29,616,888	7,076,511	7,076,511	0	4,957,712	0	4,980,330	Sum of Column VII.
June 30, 2032	32,380,188	7,672,781	7,672,781	0	5,065,923	0	5,092,897	[V. + VI.]
June 30, 2033	35,299,222	8,276,168	8,276,168	0	5,149,663	0	5,181,012	138,495,596
June 30, 2034	38,375,985	8,536,973	8,536,973	0	5,006,072	0	5,040,369	
June 30, 2035	41,619,750	8,817,925	8,817,925	0	4,873,077	0	4,910,187	
June 30, 2036	44,999,549	8,998,957	8,998,957	0	4,686,760	0	4,726,035	
June 30, 2037	48,498,426	9,239,292	9,239,292	0	4,534,850	0	4,576,323	
June 30, 2038	53,601,770	9,428,089	9,428,089	0	4,361,055	0	4,404,279	
June 30, 2039	58,748,609	9,883,757	9,883,757	0	4,308,575	0	4,354,580	
June 30, 2040	63,884,743	10,052,436	10,052,436	0	4,129,777	0	4,177,041	
June 30, 2041	69,070,003	10,345,779	10,345,779	0	4,005,550	0	4,054,467	
June 30, 2042	74,299,014	10,634,893	10,634,893	0	3,880,394	0	3,930,763	
June 30, 2043	79,565,473	10,680,389	10,680,389	0	3,672,598	0	3,723,094	
June 30, 2044	84,926,426	10,672,724	10,672,724	0	3,458,640	0	3,508,854	
June 30, 2045	90,383,710	10,504,712	10,504,712	0	3,208,174	0	3,257,222	
June 30, 2046	95,883,992	10,523,128	10,523,128	0	3,028,742	0	3,077,381	
June 30, 2047	101,373,170	10,207,756	10,207,756	0	2,768,799	0	2,815,398	
June 30, 2048	106,805,615	10,205,395	10,205,395	0	2,608,763	0	2,654,682	
June 30, 2049	112,105,120	10,180,672	10,180,672	0	2,452,590	0	2,497,654	
June 30, 2050	117,194,024	10,058,608	10,058,608	0	2,283,653	0	2,327,378	
June 30, 2051	122,182,968	10,006,287	10,006,287	0	2,140,961	0	2,183,610	
June 30, 2052	127,014,481	10,139,410	10,139,410	0	2,044,524	0	2,086,835	
June 30, 2053	131,639,630	10,180,270	10,180,270	0	1,934,561	0	1,976,095	
June 30, 2054	136,137,346	10,275,523	10,275,523	0	1,840,225	0	1,881,159	
June 30, 2055	140,483,740	10,350,488	10,350,488	0	1,746,913	0	1,787,128	
June 30, 2056	144,581,306	10,396,777	10,396,777	0	1,653,686	0	1,693,038	
June 30, 2057	148,364,274	10,535,141	10,535,141	0	1,579,204	0	1,618,011	
June 30, 2058	151,763,275	10,386,221	10,386,221	0	1,467,233	0	1,504,430	
June 30, 2059	154,691,733	10,321,518	10,321,518	0	1,374,133	0	1,410,039	
June 30, 2060	157,064,288	10,432,348	10,432,348	0	1,308,914	0	1,344,134	
June 30, 2061	158,911,219	10,135,186	10,135,186	0	1,198,407	0	1,231,588	
June 30, 2062	160,168,518	9,967,678	9,967,678	0	1,110,735	0	1,142,355	
June 30, 2063	160,756,595	9,835,047	9,835,047	0	1,032,848	0	1,063,057	
June 30, 2064	160,643,252	9,536,585	9,536,585	0	943,836	0	972,179	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.11%]	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 [6.03%]
June 30, 2065	159,757,856	9,325,697	9,325,697	0	869,819	0	896,619
June 30, 2066	157,958,565	9,068,385	9,068,385	0	797,115	0	822,299
June 30, 2067	155,139,687	8,718,764	8,718,764	0	722,254	0	745,637
June 30, 2068	151,167,191	8,528,807	8,528,807	0	665,835	0	687,914
June 30, 2069	145,894,675	8,262,913	8,262,913	0	607,932	0	628,568
June 30, 2070	139,172,520	7,919,693	7,919,693	0	549,129	0	568,199
June 30, 2071	130,916,369	7,689,910	7,689,910	0	502,494	0	520,339
June 30, 2072	120,989,859	7,419,298	7,419,298	0	456,895	0	473,480
June 30, 2073	109,225,362	7,138,996	7,138,996	0	414,318	0	429,684
June 30, 2074	95,526,997	6,841,009	6,841,009	0	374,163	0	388,334
June 30, 2075	79,745,470	6,531,051	6,531,051	0	336,641	0	349,656
June 30, 2076	61,681,604	6,239,865	6,239,865	0	303,112	0	315,070
June 30, 2077	41,159,637	5,926,964	5,926,964	0	271,334	0	282,252
June 30, 2078	17,979,372	5,620,358	5,620,358	0	242,482	0	252,430
June 30, 2079	0	5,312,378	0	5,312,378	0	419,308	225,030
June 30, 2080	0	4,984,561	0	4,984,561	0	375,361	199,136
June 30, 2081	0	4,689,023	0	4,689,023	0	336,886	176,677
June 30, 2082	0	4,389,287	0	4,389,287	0	300,866	155,978
June 30, 2083	0	4,078,997	0	4,078,997	0	266,754	136,709
June 30, 2084	0	3,791,359	0	3,791,359	0	236,555	119,843
June 30, 2085	0	3,505,655	0	3,505,655	0	208,682	104,510
June 30, 2086	0	3,228,339	0	3,228,339	0	183,347	90,770
June 30, 2087	0	2,967,704	0	2,967,704	0	160,803	78,697
June 30, 2088	0	2,702,861	0	2,702,861	0	139,725	67,598
June 30, 2089	0	2,456,011	0	2,456,011	0	121,132	57,931
June 30, 2090	0	2,226,953	0	2,226,953	0	104,790	49,541
June 30, 2091	0	2,003,063	0	2,003,063	0	89,925	42,027
June 30, 2092	0	1,792,118	0	1,792,118	0	76,759	35,462
June 30, 2093	0	1,596,149	0	1,596,149	0	65,226	29,788
June 30, 2094	0	1,413,875	0	1,413,875	0	55,123	24,886
June 30, 2095	0	1,243,736	0	1,243,736	0	46,263	20,647
June 30, 2096	0	1,086,567	0	1,086,567	0	38,560	17,012
June 30, 2097	0	942,133	0	942,133	0	31,899	13,912
June 30, 2098	0	810,126	0	810,126	0	26,169	11,282
June 30, 2099	0	690,230	0	690,230	0	21,272	9,066

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: effective January 1, 2024 Active Plans: effective November 1, 2023 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 and Dental Insurance as well as \$1,000 of Group Term Life Insurance.
<u>Medicare Part A</u>	To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.
<u>Medicare Part B</u>	Medicare Part B Premium reimbursements by the Town were not reflected in this valuation. Medicare Part B Penalty reimbursements have been reflected.
<u>Surviving Spouse Coverage</u>	Spousal benefits do not change after the death of a plan participant.

APPENDIX II – PLAN PROVISIONS

Eligibility

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"> • 35% of premiums for HMO plans • 40% of premiums for PPO and Medicare Supplement plans 	<ul style="list-style-type: none"> • 35% of premiums for HMO plans • 40% of premiums for PPO and Medicare Supplement plans
Dental	100%	100%
Life	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 Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and 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 Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and 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 Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
<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>	6.03% per annum (previously 5.98%)
<u>Net Long Term Rate of Return</u>	6.11% (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	Standard	Teachers	Public Safety
20	0.01%	0.05%	0.20%
30	0.01%	0.07%	0.21%
40	0.07%	0.21%	0.71%
50	0.13%	0.42%	1.10%
60	0.12%	0.50%	0.80%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

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

Medical 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	<u>June 30, 2025</u>	<u>June 30, 2024</u>
I. Total OPEB Liability	122,856,896	117,806,481
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>88,145,809</u>	<u>84,521,531</u>
III. Liability from Implicit Subsidy [I. - II.]	34,711,087	33,284,950

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2025</u>	<u>June 30, 2024</u>
IV. Employer Payments (Including Implicit Subsidy)	4,401,672	3,972,143
V. Actual Employer Payments	<u>3,264,111</u>	<u>2,984,439</u>
VI. Implicit Subsidy [IV. - V.]	1,137,561	987,704

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	6,170	3,889	44 & Under	12,128	7,946	65 to 69	3,310	3,399
25 to 29	9,103	4,047	45 to 49	13,320	10,033	70 to 74	3,905	4,074
30 to 34	11,502	5,080	50 to 54	15,671	13,214	75 to 79	4,530	4,810
35 to 39	11,849	6,378	55 to 59	18,116	17,180	80 to 84	5,196	5,528
40 to 44	12,128	7,946	60 to 64	21,557	22,045	85 to 89	5,808	6,159
45 to 49	13,320	10,033	65 to 69	25,841	27,499	90 & Over	5,808	6,159
50 to 54	15,671	13,214	70 to 74	30,473	32,953			
55 to 59	18,116	17,180	75 to 79	35,389	38,920			
60 to 64	21,557	22,045	80 to 84	40,576	44,736			
65 to 69	25,841	27,499	85 to 89	46,316	51,207			
70 & Over	30,473	32,953	90 & Over	46,316	51,207			

*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, 2023
A. Average Age at Hire	37.04
B. Average Service	<u>9.74</u>
C. Average Current Age	46.78

Retired Employees & Spouses

Valuation Date	July 1, 2023
A. Under Age 65	124
B. Age 65 & Over	<u>553</u>
C. Total	677

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	32										32
25-29	54	8	1								63
30-34	40	26	1	1							68
35-39	51	22	27	9							109
40-44	60	21	24	41	13						159
45-49	49	30	18	23	28	3					151
50-54	39	40	23	20	35	14	2				173
55-59	33	22	29	15	15	7	4	1			126
60-64	23	14	16	14	18	2		2			89
65-69	5	5	4	1	3	1				1	20
70+	2	3	2	1	2	1	1			1	13
Total	388	191	145	125	114	28	7	3	2	1,003	

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

Number of Contracts

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
PPO	29		33	62
Select Prem	155		232	387
Select Value	82		121	203
Access Blue	2			2
Medicare PPO	9	5		14
Medex 2	149	186		335
Total	426	191	386	1,003

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
PPO	1,237.57		3,246.16
Select Prem	1,143.65		2,999.80
Select Value	1,094.21		2,870.12
Access Blue	759.26		2,047.89
Medicare PPO	366.00	732.00	
Medex 2	385.36	770.72	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
PPO	29		33	95	1,716,153.72	1,410,829.80
Select Prem	155		232	619	10,478,632.20	8,495,032.20
Select Value	82		121	324	5,244,116.88	4,254,288.48
Access Blue	2			2	18,222.24	18,222.24
Total	268	0	386	1,040	17,457,125.04	14,178,372.72
Blended Average Monthly Rate:						\$ 1,136.09

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Medicare PPO	9	5		19	83,448.00	83,448.00
Medex 2	149	186		521	2,409,270.72	2,409,270.72
Total	158	191	0	540	2,492,718.72	2,492,718.72
Blended Average Monthly Rate:						\$ 384.68

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 18, 2025 and its subject is the Town of Westford'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 Westford 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.