

Town of Halifax Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2020

As of the Measurement Date:
June 30, 2021

For the Reporting Date:
June 30, 2021

Delivered September 13, 2021



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	5
B REQUIRED SUPPLEMENTARY INFORMATION	17
<u>APPENDIX</u>	
I LIABILITIES, ASSETS, & CASH FLOWS	23
II PLAN PROVISIONS	28
III ACTUARIAL METHODS & ASSUMPTIONS	31
IV PLAN DEMOGRAPHICS	39
V OVERVIEW OF GASB 74 & 75	42
VI ASOP 41 DISCLOSURES	44
<u>GLOSSARY</u>	47

September 13, 2021

Personal and Confidential

Ms. Linda Cole
Assistant Town Treasurer
Town of Halifax
499 Plymouth Street
Halifax, MA 02338

Dear Ms. Cole:

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

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

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

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

Very truly yours,



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

September 13, 2021

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Halifax other postemployment benefit programs with a Valuation Date of July 1, 2020 with a Measurement Date of June 30, 2021 for the Reporting Date & fiscal year ending June 30, 2021 in accordance with Government Account Standards Board Statement No. 74 & 75 and Actuarial Standards of Practice as issued by the American Academy of Actuaries. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

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

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

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

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

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

EXECUTIVE SUMMARY

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

Plan Experience

For the year ending on the Measurement Date of June 30, 2021, experience was largely in line with expectation, with an experience gain of \$208,457 or 1.49% of the beginning Total OPEB Liability ("TOL").

Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by \$2.8 million, as detailed below.

- ✓ Based on recent research by the Society of Actuaries, we have updated the assumption for morbidity or age-related costs of medical care increasing the disclosed liability by \$2.8 million.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs. This change had no material impact on plan liabilities.

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

Investment Experience

- ✓ During the period there was an investment gain of \$85,508 due to asset performance above the expected rate of return.

Changes in Benefits Terms

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

EXECUTIVE SUMMARY

Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 5.36 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

Events Subsequent to the Measurement Date

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

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 2.18% as of June 30, 2021.
- ✓ Current Asset Level – The Town had \$502,739 of OPEB assets as of June 30, 2021.
- ✓ Funding Policy - The Town is expected to contribute \$42,000 for Fiscal 2022, increasing by \$5,000 annually thereafter. These contributions are made in addition to pay-as-you-go costs.
- ✓ Investment Policy - The Town is expected to earn 6.16% per year on assets based on its investment policy.

EXECUTIVE SUMMARY

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare supplement) plans - represent 71.67% 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.
- ✓ Discount Rate (4.00%) – 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

Medicare Buy-In

Recently, some of our clients have seen substantial cost savings by “buying into” Medicare for retirees who would otherwise be ineligible. To buy into Medicare the Town would need to pay the Medicare Part A premium and the Medicare Part A and B penalties. While the cost to buy into Medicare is significant, it is likely still far less than the cost of the claims that the associated retirees are expected to incur. While the Town currently has no retirees or covered spouses who are over the age of 65 and enrolled in an Active medical plan, it is something you’ll want to monitor to avoid larger OPEB costs than they otherwise would be.

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2020	July 1, 2018
Measurement Date & Period Ending	June 30, 2021	June 30, 2020
Reporting Date/Fiscal Year End	June 30, 2021	June 30, 2020
Total OPEB Liability	17,038,289	13,988,184
Per Eligible Active Plan Participant	70,465	55,807
Per Retiree/Spouse Plan Participant	67,024	56,582
Total Annual Service Cost (Annual Benefit Accrual)	478,048	461,151
Per Eligible Active Plan Participant	3,951	3,547
Expected Employer Share of Retiree Costs	537,530	497,642
Per Retiree/Spouse Plan Participant	4,233	4,182
Net OPEB Liability as a % of Covered Payroll	170.10%	138.90%

EXECUTIVE SUMMARY

Liabilities & Benefit Payments in Today's Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2021	127	17,038,289	17,038,289	537,530	537,530
June 30, 2026	137	20,173,906	17,402,189	694,883	599,412
June 30, 2031	139	23,989,591	17,850,509	737,651	548,882
June 30, 2036	138	27,991,534	17,966,701	1,029,719	660,937
June 30, 2041	131	32,385,661	17,931,155	1,232,071	682,168
June 30, 2046	124	37,067,959	17,703,864	1,496,357	714,668
June 30, 2051	118	42,378,855	17,459,527	1,712,288	705,440

EXECUTIVE SUMMARY

Continuing OPEB Disclosures

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

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

<u>Fiscal Year Ending</u>		<u>Cost</u>
June 30, 2022	(budgeted)	548,225
June 30, 2021	Actual	537,530
June 30, 2020	Actual	497,642
June 30, 2019	Actual	449,805
June 30, 2018	Actual	427,943
June 30, 2017	Actual	388,896

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2021 Measurement Date, the Net OPEB Liability ("NOL") was determined to be \$16,535,550 assuming a discount rate of 4.00%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$42,000 for Fiscal 2022, increasing by \$5,000 annually thereafter. These contributions are made in addition to pay-as-you-go costs. The balance of this fund as of June 30, 2021 was \$502,739. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Halifax

Assuming Funding - 4.00% discount rate

Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2020	July 1, 2018
For the Measurement Period ending on the Measurement Date of:	June 30, 2021	June 30, 2020
For the Reporting Period & Fiscal Year ending on:	June 30, 2021	June 30, 2020
I. Total OPEB Liability		
A. Actives	8,526,245	7,254,958
B. Retirees/Disabled	<u>8,512,044</u>	<u>6,733,226</u>
C. Total	17,038,289	13,988,184
II. Fiduciary Net Position [Plan Assets]	502,739	357,110
III. Net OPEB Liability (Asset) [I. - II.]	16,535,550	13,631,074
IV. Funded Ratio [II. / I.]	2.95%	2.55%
V. Number of Eligible Participants		
A. Actives	121	130
B. Retirees/Disabled & Dependents	<u>127</u>	<u>119</u>
C. Total	248	249
VI. Service Cost	478,048	461,151
VII. Financial Statement Expense/(Income)	1,183,348	707,612
VIII. Employer Contribution to the OPEB Trust	(37,000)	(36,000)
IX. Deferred Inflow of Resources	(2,576,829)	(3,393,141)
X. Deferred Outflow of Resources	2,987,969	1,508,623
XI. Money Weighted Rate of Return	29.96%	2.52%
XII. 20-year Municipal Bond Rate (SAPIHG)	2.18%	2.66%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.16%	6.72%
XIV. Crossover Year	Immediate	Immediate
XV. Discount Rate	4.00%	4.00%

PRINCIPAL RESULTS OF THE VALUATION

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

	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability					
A. Actives	2,061,812	4,759,520	1,570,190	134,723	8,526,245
B. Retirees/Disabled	<u>3,069,775</u>	<u>3,270,775</u>	<u>1,862,993</u>	<u>308,501</u>	<u>8,512,044</u>
C. Total	5,131,587	8,030,295	3,433,183	443,224	17,038,289
II. Fiduciary Net Position [Plan Assets]	155,458	243,274	104,007	0	502,739
III. Net OPEB Liability (Asset) [I. - II.]	4,976,129	7,787,021	3,329,176	443,224	16,535,550
IV. Number of Eligible Participants					
A. Actives	37	60	22	2	121
B. Retirees/Disabled	<u>54</u>	<u>53</u>	<u>18</u>	<u>2</u>	<u>127</u>
C. Total	91	113	40	4	248
For the Reporting Date and Fiscal Year Ending June 30, 2021					
V. Service Cost	155,775	187,367	126,722	8,184	478,048
VI. Financial Statement Expense/(Income)	366,459	519,639	270,096	27,154	1,183,348
VII. Employer Share of Costs	(208,274)	(233,479)	(95,286)	(491)	(537,530)
VIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(10,992)	(17,469)	(7,560)	(979)	(37,000)
IX. Total Employer Contribution [VII. + VIII.]	(219,266)	(250,948)	(102,846)	(1,470)	(574,530)

PRINCIPAL RESULTS OF THE VALUATION

Town of Halifax

Assuming Funding - 4.00% discount rate

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

	Actives			Retirees/Disabled			Grand Total
	Under Age 65	Age 65+	Actives Total	Under Age 65	Age 65 +	Retirees Total	
Present Value of Future Benefits							
A. Participants	3,747,204	4,631,103	8,378,307	740,873	4,768,904	5,509,777	13,888,084
B. Spouses	<u>2,083,520</u>	<u>3,324,393</u>	<u>5,407,913</u>	<u>506,250</u>	<u>2,496,017</u>	<u>3,002,267</u>	<u>8,410,180</u>
C. Total	5,830,724	7,955,496	13,786,220	1,247,123	7,264,921	8,512,044	22,298,264
Total OPEB Liability							
A. Participants	2,304,034	2,875,685	5,179,719	740,873	4,768,904	5,509,777	10,689,496
B. Spouses	<u>1,275,151</u>	<u>2,071,375</u>	<u>3,346,526</u>	<u>506,250</u>	<u>2,496,017</u>	<u>3,002,267</u>	<u>6,348,793</u>
C. Total	3,579,185	4,947,060	8,526,245	1,247,123	7,264,921	8,512,044	17,038,289
Service Cost							
A. Participants	120,839	169,484	290,323	0	0	0	290,323
B. Spouses	<u>67,088</u>	<u>120,637</u>	<u>187,725</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>187,725</u>
C. Total	187,927	290,121	478,048	0	0	0	478,048

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

Funding - 4.00% discount rate

For the Fiscal Year	Period Ending on the Measurement Date of:	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with an expected 6.16% 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.]
2021	June 30, 2021	17,038,289	502,739	16,535,550	2.95%	478,048	537,530	37,000	574,530	537,530	0	37,000
2022	June 30, 2022	17,679,629	576,982	17,102,647	3.26%	498,933	548,225	42,000	590,225	548,225	0	42,000
2023	June 30, 2023	18,284,695	660,950	17,623,745	3.61%	512,932	600,045	47,000	647,045	600,045	0	47,000
2024	June 30, 2024	18,884,571	755,242	18,129,329	4.00%	525,279	651,730	52,000	703,730	651,730	0	52,000
2025	June 30, 2025	19,530,377	860,494	18,669,883	4.41%	545,821	651,180	57,000	708,180	651,180	0	57,000
2026	June 30, 2026	20,173,906	977,381	19,196,525	4.84%	564,237	694,883	62,000	756,883	694,883	0	62,000
2027	June 30, 2027	20,834,295	1,106,620	19,727,675	5.31%	583,034	723,653	67,000	790,653	723,653	0	67,000
2028	June 30, 2028	21,570,225	1,248,972	20,321,253	5.79%	604,011	697,700	72,000	769,700	697,700	0	72,000
2029	June 30, 2029	22,340,250	1,405,245	20,935,005	6.29%	623,107	711,027	77,000	788,027	711,027	0	77,000
2030	June 30, 2030	23,137,036	1,576,296	21,560,740	6.81%	648,720	741,815	82,000	823,815	741,815	0	82,000
2031	June 30, 2031	23,989,591	1,763,035	22,226,556	7.35%	667,533	737,651	87,000	824,651	737,651	0	87,000
2032	June 30, 2032	24,831,572	1,966,429	22,865,143	7.92%	689,933	781,104	92,000	873,104	781,104	0	92,000
2033	June 30, 2033	25,639,583	2,187,504	23,452,079	8.53%	713,609	851,483	97,000	948,483	851,483	0	97,000
2034	June 30, 2034	26,388,731	2,427,349	23,961,382	9.20%	735,750	893,553	102,000	995,553	893,553	0	102,000
2035	June 30, 2035	27,215,572	2,687,120	24,528,452	9.87%	760,683	956,045	107,000	1,063,045	956,045	0	107,000
2036	June 30, 2036	27,991,534	2,968,045	25,023,489	10.60%	781,612	1,029,719	112,000	1,141,719	1,029,719	0	112,000
2037	June 30, 2037	28,869,702	3,271,426	25,598,276	11.33%	809,196	1,041,396	117,000	1,158,396	1,041,396	0	117,000
2038	June 30, 2038	29,791,177	3,598,647	26,192,530	12.08%	839,637	1,063,971	122,000	1,185,971	1,063,971	0	122,000
2039	June 30, 2039	30,687,053	3,951,177	26,735,876	12.88%	867,623	1,139,856	127,000	1,266,856	1,139,856	0	127,000
2040	June 30, 2040	31,590,079	4,330,574	27,259,505	13.71%	895,129	1,156,377	132,000	1,288,377	1,156,377	0	132,000
2041	June 30, 2041	32,385,661	4,738,494	27,647,167	14.63%	923,735	1,232,071	137,000	1,369,071	1,232,071	0	137,000
2042	June 30, 2042	33,258,800	5,176,693	28,082,107	15.56%	951,436	1,288,071	142,000	1,430,071	1,288,071	0	142,000
2043	June 30, 2043	34,213,318	5,647,037	28,566,281	16.51%	985,165	1,325,276	147,000	1,472,276	1,325,276	0	147,000
2044	June 30, 2044	35,134,836	6,151,506	28,983,330	17.51%	1,021,837	1,388,217	152,000	1,540,217	1,388,217	0	152,000
2045	June 30, 2045	36,075,524	6,692,202	29,383,322	18.55%	1,053,852	1,445,598	157,000	1,602,598	1,445,598	0	157,000
2046	June 30, 2046	37,067,959	7,271,357	29,796,602	19.62%	1,091,136	1,496,357	162,000	1,658,357	1,496,357	0	162,000
2047	June 30, 2047	38,067,073	7,891,339	30,175,734	20.73%	1,129,750	1,566,673	167,000	1,733,673	1,566,673	0	167,000
2048	June 30, 2048	39,049,602	8,554,664	30,494,938	21.91%	1,170,520	1,603,003	172,000	1,775,003	1,603,003	0	172,000
2049	June 30, 2049	40,124,556	9,264,001	30,860,555	23.09%	1,211,037	1,607,399	177,000	1,784,399	1,607,399	0	177,000
2050	June 30, 2050	41,191,732	10,022,185	31,169,547	24.33%	1,253,790	1,696,816	182,000	1,878,816	1,696,816	0	182,000
2051	June 30, 2051	42,378,855	10,832,225	31,546,630	25.56%	1,299,937	1,712,288	187,000	1,899,288	1,712,288	0	187,000
2052	June 30, 2052	43,624,601	11,697,315	31,927,286	26.81%	1,346,771	1,744,375	192,000	1,936,375	1,744,375	0	192,000

EXHIBIT A

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

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

1. OPEB Expense Development

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2021	
Description	Amount
I. Service Cost	478,048
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	568,004
III. Deferred (Inflows)/Outflows from Plan Experience*	(596,746)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	770,346
V. Projected Earnings on OPEB Plan Investments	(23,121)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(13,183)
VII. Financial Statement Expense/(Income) Prior to Plan Design Changes [I. + II.+ III. + IV. + V. + VI.]	1,183,348
VIII. Expense Related to Change in Benefit Terms***	0
IX. Financial Statement Expense/(Income) [VII. + VIII.]	1,183,348

* Amortized over 5.36 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

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

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances for the June 30, 2020 Reporting Date	13,988,184	357,110	13,631,074
II. Prior Period Adjustment	0	0	0
III. Balances for the June 30, 2020 Reporting Date with Adjustment [I. + II.]	13,988,184	357,110	13,631,074
Changes for the year:			
IV. Service Cost	478,048	0	478,048
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	568,004	0	568,004
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	2,750,040	0	2,750,040
VIII. Differences Between Actual and Expected Experience **	(208,457)	0	(208,457)
IX. Net Investment Income	0	108,629	(108,629)
X. Employer Contributions to Trust	0	574,530	(574,530)
XI. Benefit Payments Withdrawn from Trust	0	(537,530)	537,530
XII. Benefit Payments Excluding Implicit Cost	(407,060)	0	(407,060)
XIII. Implicit Cost Amount	(130,470)	0	(130,470)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(537,530)	0	(537,530)
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.]	3,050,105	145,629	2,904,476
XVIII. Balances for the June 30, 2021 Reporting Date [III.+XVII.]	17,038,289	502,739	16,535,550

* Recognized Immediately

** Amortized over 5.36 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance	2021	2022	2023	2024	2025	2026
2017	2,564,102	5.17	84,312	495,958	84,312				
2018	(55,834)	5.00	(11,166)	(11,167)	(11,166)				
2019	(5,376,838)	5.22	(2,286,703)	(1,030,045)	(1,030,045)	(1,030,045)	(226,613)		
2020	(65,782)	5.22	(40,580)	(12,601)	(12,601)	(12,601)	(12,601)	(2,777)	
2021	(208,457)	5.36	(169,566)	(38,891)	(38,891)	(38,891)	(38,891)	(38,891)	(14,002)
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(2,423,703)						
Net increase (decrease) in OPEB Expense				(596,746)	(1,008,391)	(1,081,537)	(278,105)	(41,668)	(14,002)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in Actuarial Assumptions	Recognition Period (years)	Remaining Balance	2021	2022	2023	2024	2025	2026
2017	0	5.17	0	0	0				
2018	0	5.00	0	0	0				
2019	904,704	5.22	384,762	173,314	173,314	173,314	38,134		
2020	438,301	5.22	270,371	83,965	83,965	83,965	83,965	18,476	
2021	2,750,040	5.36	2,236,973	513,067	513,067	513,067	513,067	513,067	184,705
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			2,892,106						
Net increase (decrease) in OPEB Expense				770,346	770,346	770,346	635,166	531,543	184,705

EXHIBIT A

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

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance	2021	2022	2023	2024	2025	2026
2017	(312)	5.00	0	(64)					
2018	(2,036)	5.00	(408)	(407)	(408)				
2019	8,084	5.00	3,233	1,617	1,617	1,616			
2020	13,864	5.00	8,318	2,773	2,773	2,773	2,772		
2021	(85,508)	5.00	(68,406)	(17,102)	(17,102)	(17,102)	(17,102)	(17,100)	
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(57,263)						
Net increase (decrease) in OPEB Expense				(13,183)	(13,120)	(12,713)	(14,330)	(17,100)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of Outflows & Inflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2021 to be Reported for the Fiscal Year Ending June 30, 2021			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions made subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	84,312	(2,508,015)	(2,423,703)
III. Changes of Assumptions	2,892,106	0	2,892,106
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>11,551</u>	<u>(68,814)</u>	<u>(57,263)</u>
V. Total [I.+II.+III.+IV.]	2,987,969	(2,576,829)	411,140

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows)/Outflows

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

Year ending June 30:

2022	(251,165)
2023	(323,904)
2024	342,731
2025	472,775
2026	170,703
Thereafter	0

4. Discount Rate

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

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2021 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$537,530. The Town also contributed \$37,000 to an OPEB Trust for a total contribution during the measurement period of \$574,530 to be reported on the financial statement for the fiscal year ending June 30, 2021.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	25.00%	Domestic Equity - Large Cap	4.90%
Domestic Equity - Small/Mid Cap	16.50%	Domestic Equity - Small/Mid Cap	5.40%
International Equity - Developed Market	11.50%	International Equity - Developed Market	5.32%
International Equity-Emerging Market	5.50%	International Equity-Emerging Market	6.26%
Domestic Fixed Income	29.25%	Domestic Fixed Income	1.40%
International Fixed Income	6.25%	International Fixed Income	1.30%
Alternatives	5.50%	Alternatives	6.32%
Real Estate	0.00%	Real Estate	6.25%
Cash & Cash Equivalents	0.50%	Cash & Cash Equivalents	0.00%
Total	100.00%		
		I. Real Rate of Return	3.91%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.41%
		IV. Investment Expense	0.25%
		V. Net Investment Return [III.-IV.]	6.16%

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

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

7. Schedule of 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, 2021	1,109,912	(574,530)	535,382	9,723,910	5.91%
June 30, 2020	1,219,119	(533,642)	685,477	9,813,489	5.44%
June 30, 2019	1,155,872	(484,805)	671,067	9,527,659	5.09%
June 30, 2018	1,650,114	(462,943)	1,187,171	8,497,180	5.45%
June 30, 2017	1,670,569	(423,896)	1,246,673	8,249,689	5.14%
June 30, 2016	1,634,432	(423,896)	1,210,536	8,249,689	5.14%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	14,405,908	17,038,289	20,458,466
II. Fiduciary Net Position	<u>502,739</u>	<u>502,739</u>	<u>502,739</u>
III. Net OPEB Liability (Asset) [I.-II.]	13,903,169	16,535,550	19,955,727
IV. Service Cost	364,099	478,048	638,732

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	20,074,047	17,038,289	13,695,449
II. Fiduciary Net Position	<u>502,739</u>	<u>502,739</u>	<u>502,739</u>
III. Net OPEB Liability (Asset) [I.-II.]	19,571,308	16,535,550	13,192,710
IV. Service Cost	636,381	478,048	321,569

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2020	357,110	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	37,000	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	<u>0</u>	<u>0.0000</u>
II. Total net external cash flow	37,000		
III. Earnings and increase in fair value	108,629		
IV. Ending value - June 30, 2021 [I.+II.+III.]	502,739		
Money Weighted Rate of Return	29.96%		
Asset Value - June 30, 2021	502,739		

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

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2021				
	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability as of June 30, 2021	5,131,587	8,030,295	3,433,183	443,224	17,038,289
II. Fiduciary Net Position as of June 30, 2021	155,458	243,274	104,007	0	502,739
III. Net OPEB Liability (Asset) as of June 30, 2021 [I. - II.]	4,976,129	7,787,021	3,329,176	443,224	16,535,550
IV. Service Cost	155,775	187,367	126,722	8,184	478,048
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	169,533	267,843	115,831	14,797	568,004
VI. Projected Earnings on OPEB Plan Investments	(7,163)	(11,177)	(4,781)	0	(23,121)
VII. Net Recognition of Deferred (Inflows)/Outflows	48,314	75,606	32,324	4,173	160,417
VIII. Expense Related to Change in Benefit Terms	0	0	0	0	0
IX. Financial Statement Expense/(Income) [IV. + V. + VI. + VII. + VIII.]	366,459	519,639	270,096	27,154	1,183,348
X. Employer Share of Costs	(208,274)	(233,479)	(95,286)	(491)	(537,530)
XI. Employer (Payments) Withdrawals to/from OPEB Trust	(10,992)	(17,469)	(7,560)	(979)	(37,000)
XII. Total Employer Contribution [X. + XI.]	(219,266)	(250,948)	(102,846)	(1,470)	(574,530)
XIII. Net OPEB Expense/(Income) [IX. + XII.]	147,193	268,691	167,250	25,684	608,818

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

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

Valuation Date	July 1, 2020
For the Measurement Period ending on the Measurement Date of:	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2021
Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(2,423,703)
II. Deferred (Inflow)/Outflow from Investment Experience	(57,263)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	2,892,106
Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	1,508,623
II. Deferred Outflow created during the period	2,750,040
III. Deferred Outflow recognized during the period	1,270,694
IV. Change in Deferred Outflow (II. - III.)	1,479,346
V. Deferred Outflow at end of the period (I. + IV.)	2,987,969
VI. Deferred Inflow at the beginning of the period	(3,393,141)
VII. Deferred Inflow created during the period	(293,965)
VIII. Deferred Inflow recognized during the period	(1,110,277)
IX. Change in Deferred Inflow (VII. - VIII.)	816,312
X. Deferred Inflow at end of the period (VI. + IX.)	(2,576,829)
Net OPEB Liability	
I. Net OPEB Liability at beginning of period	13,631,074
II. Service Cost	478,048
III. Interest on Total OPEB Liability, Service Cost, and Payments	568,004
IV. Projected Investment Income	(23,121)
V. Total Employer Contributions	(574,530)
VI. Expense Related to Change in Benefit Terms	0
VII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + IV. + V. + VI.)	448,401
VIII. Deferred Outflow created during the period	2,750,040
IX. Deferred Inflow created during the period	(293,965)
X. Net OPEB Liability at end of period (I. + VII. + VIII. + IX.)	16,535,550
Net OPEB Expense	
I. Service Cost	478,048
II. Interest on Total OPEB Liability, Service Cost, and Payments	568,004
III. Projected Investment Income	(23,121)
IV. Recognition of Deferred (Inflow)/Outflow	160,417
V. Expense Related to Change in Benefit Terms	0
VI. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V.)	1,183,348
VII. Benefit Payments	(537,530)
VIII. Contributions to Trust	(37,000)
IX. Total Employer Payments (VII. + VIII.)	(574,530)
X. Total Net OPEB Expense/(Income) under GASB 75 (VI. + IX.)	608,818

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

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY 2021 and future years we have used a 30 year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)						
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	For the Fiscal Year Ending:	
					<u>June 30, 2017</u>	<u>June 30, 2016</u>
I. Service Cost	478,048	461,151	425,597	519,257	690,747	641,713
II. Amortization of NOL	<u>631,864</u>	<u>757,968</u>	<u>730,275</u>	<u>1,130,857</u>	<u>979,822</u>	<u>992,719</u>
III. Actuarial Determined Contribution [I. + II.]	1,109,912	1,219,119	1,155,872	1,650,114	1,670,569	1,634,432
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(574,530)</u>	<u>(533,642)</u>	<u>(484,805)</u>	<u>(462,943)</u>	<u>(423,896)</u>	<u>(423,896)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	535,382	685,477	671,067	1,187,171	1,246,673	1,210,536
Covered Employee Payroll	9,723,910	9,813,489	9,527,659	8,497,180	8,249,689	8,249,689
Contributions as a % of Covered Employee Payroll	5.91%	5.44%	5.09%	5.45%	5.14%	5.14%
Discount Rate	4.00%	4.00%	4.25%	4.25%	3.00%	3.00%
Money Weighted Rate of Return	29.96%	2.52%	3.95%	5.07%	7.84%	2.31%

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios						
Valuation Date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2016
GASB 75 Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
For the Reporting Period & Fiscal Year Ending on:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability	17,038,289	13,988,184	13,086,832	16,858,077	20,010,932	19,174,741
I. Service Cost	478,048	461,151	425,597	519,257	690,747	641,713
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	568,004	565,324	725,097	863,534	590,174	489,214
III. Changes in Benefit Terms	0	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(208,457)	(65,782)	(5,376,838)	(871,730)	(55,834)	2,564,102
V. Changes of Assumptions	2,750,040	438,301	904,704	(3,235,973)	0	0
VI. Benefit Payments Excluding Implicit Cost	(407,060)	(391,523)	(363,382)	N/A	N/A	N/A
VII. Implicit Cost Amount	(130,470)	(106,119)	(86,423)	N/A	N/A	N/A
VIII. Total Benefit Payments Including Implicit Cost [VI.+VII.]	(537,530)	(497,642)	(449,805)	(427,943)	(388,896)	(368,764)
IX. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.]	3,050,105	901,352	(3,771,245)	(3,152,855)	836,191	3,326,265
X. Total OPEB Liability - Beginning of Period	13,988,184	13,086,832	16,858,077	20,010,932	19,174,741	15,848,476
XI. Prior Period Adjustment	0	0	0	0	0	0
XII. Total OPEB Liability - Beginning of Period with Adjustment	13,988,184	13,086,832	16,858,077	20,010,932	19,174,741	15,848,476
XIII. Total OPEB Liability - End of Period [IX.+XII.]	17,038,289	13,988,184	13,086,832	16,858,077	20,010,932	19,174,741
Plan Fiduciary Net Position	502,739	357,110	312,766	266,554	229,842	179,434
XIV. Earning from Plan Investments	108,629	8,344	11,212	1,712	15,408	3,260
XV. Employer Contribution to Trust	574,530	533,642	484,805	462,943	423,896	403,764
XVI. Benefit Payments from Trust, Including Refunds of Member Contributions	(537,530)	(497,642)	(449,805)	(427,943)	(388,896)	(368,764)
XVII. Administrative Expense	0	0	0	0	0	0
XVIII. Other	0	0	0	0	0	0
XIX. Net Change in Plan Fiduciary Net Position [XIV.+XV.+XVI.+XVII.+XVIII.]	145,629	44,344	46,212	36,712	50,408	38,260
XX. Plan Fiduciary Net Position - Beginning of Period	357,110	312,766	266,554	229,842	179,434	141,174
XXI. Prior Period Adjustment	0	0	0	0	0	0
XXII. Plan Fiduciary Net Position - Beginning of Period with Adjustment	357,110	312,766	266,554	229,842	179,434	141,174
XXIII. Plan Fiduciary Net Position - End of Period [XIX.+XXII.]	502,739	357,110	312,766	266,554	229,842	179,434
XXIV. Net OPEB Liability [XIII.-XXIII.]	16,535,550	13,631,074	12,774,066	16,591,523	19,781,090	18,995,307
XXV. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIII. / XIII.]	2.95%	2.55%	2.39%	1.58%	1.15%	0.94%
XXVI. Covered Employee Payroll	9,723,910	9,813,489	9,527,659	8,497,180	8,249,689	8,249,689
XXVII. Plan NOL as % of Covered Employee Payroll [XXIV. / XXVI.]	170.05%	138.90%	134.07%	195.26%	239.78%	230.25%
Single Discount Rate to calculate Plan Liabilities	4.00%	4.00%	4.25%	4.25%	3.00%	3.00%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Notes to Required Supplementary Information:

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

Actuarial Assumptions:

Investment Rate of Return:	6.16%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	4.00%, net of OPEB plan investment expense, including inflation.
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.00% annually as of June 30, 2021 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

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

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits:	127
Active Employees:	<u>121</u>
Total:	248

Events Subsequent to the Measurement Date

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

Changes in Assumptions: From June 30, 2020 to June 30, 2021

- ✓ Based on recent research by the Society of Actuaries, we have updated the assumption for morbidity or age-related costs of medical care
- ✓ Based on recent actuarial research we have adopted the Getzen model for future healthcare cost increases

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$37,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2021 Measurement Date. For the year ending on the June 30, 2021 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$537,530. \$130,470 of the \$537,530 represents implicit cost.

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Census Data Manipulation:

In the absence of data, the following was assumed:

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

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES

Table 1: Projection of Contributions using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2021	9,723,910	0	9,723,910	0	537,530	0	537,530
June 30, 2022	9,236,029	779,598	10,015,627	0	548,225	0	548,225
June 30, 2023	8,816,726	1,499,370	10,316,096	0	600,045	0	600,045
June 30, 2024	8,369,888	2,255,691	10,625,579	0	651,730	0	651,730
June 30, 2025	8,029,073	2,915,273	10,944,346	0	651,180	0	651,180
June 30, 2026	7,714,553	3,558,123	11,272,676	0	694,883	0	694,883
June 30, 2027	7,351,219	4,259,637	11,610,856	0	723,653	0	723,653
June 30, 2028	7,004,748	4,954,434	11,959,182	0	697,700	0	697,700
June 30, 2029	6,633,075	5,684,882	12,317,957	0	711,027	0	711,027
June 30, 2030	6,371,543	6,315,953	12,687,496	0	741,815	0	741,815
June 30, 2031	6,061,221	7,006,900	13,068,121	0	737,651	0	737,651
June 30, 2032	5,782,696	7,677,469	13,460,165	0	778,424	2,680	781,104
June 30, 2033	5,524,323	8,339,647	13,863,970	0	844,405	7,078	851,483
June 30, 2034	5,249,493	9,030,396	14,279,889	0	880,059	13,494	893,553
June 30, 2035	5,003,373	9,704,913	14,708,286	0	932,899	23,146	956,045
June 30, 2036	4,694,444	10,455,091	15,149,535	0	994,390	35,329	1,029,719
June 30, 2037	4,455,650	11,148,371	15,604,021	0	997,909	43,487	1,041,396
June 30, 2038	4,285,060	11,787,082	16,072,142	0	1,010,221	53,750	1,063,971
June 30, 2039	4,108,174	12,446,132	16,554,306	0	1,074,095	65,761	1,139,856
June 30, 2040	3,915,446	13,135,489	17,050,935	0	1,082,479	73,898	1,156,377
June 30, 2041	3,699,551	13,862,912	17,562,463	0	1,148,586	83,485	1,232,071
June 30, 2042	3,454,208	14,635,129	18,089,337	0	1,189,334	98,737	1,288,071
June 30, 2043	3,240,461	15,391,556	18,632,017	0	1,207,476	117,800	1,325,276
June 30, 2044	3,109,415	16,081,563	19,190,978	0	1,246,132	142,085	1,388,217
June 30, 2045	2,934,733	16,831,974	19,766,707	0	1,271,746	173,852	1,445,598
June 30, 2046	2,764,337	17,595,371	20,359,708	0	1,284,489	211,868	1,496,357
June 30, 2047	2,600,481	18,370,018	20,970,499	0	1,324,455	242,218	1,566,673
June 30, 2048	2,443,230	19,156,384	21,599,614	0	1,325,716	277,287	1,603,003
June 30, 2049	2,257,171	19,990,431	22,247,602	0	1,290,225	317,174	1,607,399
June 30, 2050	2,043,172	20,871,858	22,915,030	0	1,348,197	348,619	1,696,816
June 30, 2051	1,848,977	21,753,504	23,602,481	0	1,328,605	383,683	1,712,288
June 30, 2052	1,674,336	22,636,219	24,310,555	0	1,317,992	426,383	1,744,375
June 30, 2053	1,475,968	23,563,904	25,039,872	0	1,263,780	471,961	1,735,741
June 30, 2054	1,257,998	24,533,070	25,791,068	0	1,283,266	523,877	1,807,143
June 30, 2055	1,117,755	25,447,045	26,564,800	0	1,197,994	582,480	1,780,474
June 30, 2056	928,431	26,433,313	27,361,744	0	1,144,637	646,851	1,791,488
June 30, 2057	747,201	27,435,395	28,182,596	0	1,139,331	708,378	1,847,709
June 30, 2058	575,696	28,452,378	29,028,074	0	1,138,502	773,452	1,911,954
June 30, 2059	484,964	29,413,952	29,898,916	0	1,078,976	843,863	1,922,839
June 30, 2060	366,008	30,429,875	30,795,883	0	1,087,373	912,503	1,999,876

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2061	295,882	31,423,877	31,719,759	0	1,051,797	983,173	2,034,970
June 30, 2062	235,440	32,435,912	32,671,352	0	1,012,448	1,062,651	2,075,099
June 30, 2063	178,142	33,473,351	33,651,493	0	1,012,580	1,146,882	2,159,462
June 30, 2064	87,669	34,573,369	34,661,038	0	959,053	1,239,070	2,198,123
June 30, 2065	71,560	35,629,309	35,700,869	0	931,125	1,339,081	2,270,206
June 30, 2066	44,552	36,727,343	36,771,895	0	926,127	1,445,302	2,371,429
June 30, 2067	18,524	37,856,528	37,875,052	0	909,693	1,554,488	2,464,181
June 30, 2068	15,177	38,996,127	39,011,304	0	898,237	1,668,039	2,566,276
June 30, 2069	0	40,181,643	40,181,643	0	886,500	1,787,416	2,673,916
June 30, 2070	0	41,387,092	41,387,092	0	866,427	1,906,009	2,772,436
June 30, 2071	0	42,628,705	42,628,705	0	852,739	2,027,992	2,880,731
June 30, 2072	0	43,907,566	43,907,566	0	831,880	2,156,536	2,988,416
June 30, 2073	0	45,224,793	45,224,793	0	808,956	2,288,921	3,097,877
June 30, 2074	0	46,581,537	46,581,537	0	784,809	2,427,129	3,211,938
June 30, 2075	0	47,978,983	47,978,983	0	760,284	2,570,619	3,330,903
June 30, 2076	0	49,418,352	49,418,352	0	734,932	2,717,572	3,452,504
June 30, 2077	0	50,900,903	50,900,903	0	700,842	2,873,586	3,574,428
June 30, 2078	0	52,427,930	52,427,930	0	663,110	3,033,313	3,696,423
June 30, 2079	0	54,000,768	54,000,768	0	633,752	3,197,881	3,831,633
June 30, 2080	0	55,620,791	55,620,791	0	593,658	3,368,442	3,962,100
June 30, 2081	0	57,289,415	57,289,415	0	557,388	3,543,845	4,101,233
June 30, 2082	0	59,008,097	59,008,097	0	519,892	3,724,385	4,244,277
June 30, 2083	0	60,778,340	60,778,340	0	478,820	3,909,629	4,388,449
June 30, 2084	0	62,601,690	62,601,690	0	442,737	4,101,844	4,544,581
June 30, 2085	0	64,479,741	64,479,741	0	404,679	4,300,744	4,705,423
June 30, 2086	0	66,414,133	66,414,133	0	366,024	4,504,789	4,870,813
June 30, 2087	0	68,406,557	68,406,557	0	328,687	4,718,556	5,047,243
June 30, 2088	0	70,458,754	70,458,754	0	292,877	4,939,176	5,232,053
June 30, 2089	0	72,572,517	72,572,517	0	258,888	5,165,899	5,424,787
June 30, 2090	0	74,749,693	74,749,693	0	226,877	5,401,053	5,627,930
June 30, 2091	0	76,992,184	76,992,184	0	197,070	5,644,122	5,841,192
June 30, 2092	0	79,301,950	79,301,950	0	169,602	5,894,484	6,064,086
June 30, 2093	0	81,681,009	81,681,009	0	144,578	6,152,850	6,297,428
June 30, 2094	0	84,131,439	84,131,439	0	122,020	6,420,229	6,542,249
June 30, 2095	0	86,655,382	86,655,382	0	101,921	6,697,065	6,798,986

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust for Current Plan Members	VII. Trust Withdrawals for Current Plan Members [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2021	357,110	537,530	37,000	574,530	0	537,530	537,530	108,629	502,739
June 30, 2022	502,739	548,225	38,731	586,956	0	548,225	548,225	29,733	571,203
June 30, 2023	571,203	600,045	40,169	640,214	0	600,045	600,045	36,405	647,777
June 30, 2024	647,777	651,730	40,961	692,691	0	651,730	651,730	41,146	729,884
June 30, 2025	729,884	651,180	41,817	692,997	0	651,180	651,180	46,230	817,931
June 30, 2026	817,931	694,883	42,430	737,313	0	694,883	694,883	51,672	912,033
June 30, 2027	912,033	723,653	42,420	766,073	0	723,653	723,653	57,468	1,011,921
June 30, 2028	1,011,921	697,700	42,172	739,872	0	697,700	697,700	63,614	1,117,707
June 30, 2029	1,117,707	711,027	41,464	752,491	0	711,027	711,027	70,109	1,229,280
June 30, 2030	1,229,280	741,815	41,180	782,995	0	741,815	741,815	76,973	1,347,433
June 30, 2031	1,347,433	737,651	40,352	778,003	0	737,651	737,651	84,226	1,472,011
June 30, 2032	1,472,011	778,424	39,525	817,949	0	778,424	778,424	91,875	1,600,731
June 30, 2033	1,600,731	844,405	38,651	883,056	0	844,405	844,405	99,778	1,732,082
June 30, 2034	1,732,082	880,059	37,497	917,556	0	880,059	880,059	107,834	1,863,919
June 30, 2035	1,863,919	932,899	36,399	969,298	0	932,899	932,899	115,922	1,993,094
June 30, 2036	1,993,094	994,390	34,706	1,029,096	0	994,390	994,390	123,828	2,116,299
June 30, 2037	2,116,299	997,909	33,409	1,031,318	0	997,909	997,909	131,378	2,237,599
June 30, 2038	2,237,599	1,010,221	32,527	1,042,748	0	1,010,221	1,010,221	138,823	2,355,199
June 30, 2039	2,355,199	1,074,095	31,517	1,105,612	0	1,074,095	1,074,095	146,036	2,466,991
June 30, 2040	2,466,991	1,082,479	30,311	1,112,790	0	1,082,479	1,082,479	152,886	2,576,290
June 30, 2041	2,576,290	1,148,586	28,859	1,177,445	0	1,148,586	1,148,586	159,575	2,681,239
June 30, 2042	2,681,239	1,189,334	27,115	1,216,449	0	1,189,334	1,189,334	165,987	2,775,604
June 30, 2043	2,775,604	1,207,476	25,566	1,233,042	0	1,207,476	1,207,476	171,753	2,855,123
June 30, 2044	2,855,123	1,246,132	24,628	1,270,760	0	1,246,132	1,246,132	176,623	2,914,289
June 30, 2045	2,914,289	1,271,746	23,310	1,295,056	0	1,271,746	1,271,746	180,227	2,943,974
June 30, 2046	2,943,974	1,284,489	21,996	1,306,485	0	1,284,489	1,284,489	182,016	2,936,118
June 30, 2047	2,936,118	1,324,455	20,709	1,345,164	0	1,324,455	1,324,455	181,493	2,896,102
June 30, 2048	2,896,102	1,325,716	19,456	1,345,172	0	1,325,716	1,325,716	178,990	2,817,261
June 30, 2049	2,817,261	1,290,225	17,958	1,308,183	0	1,290,225	1,290,225	174,088	2,692,133
June 30, 2050	2,692,133	1,348,197	16,228	1,364,425	0	1,348,197	1,348,197	166,328	2,526,070
June 30, 2051	2,526,070	1,328,605	14,649	1,343,254	0	1,328,605	1,328,605	156,050	2,313,086
June 30, 2052	2,313,086	1,317,992	13,224	1,331,216	0	1,317,992	1,317,992	142,887	2,042,814
June 30, 2053	2,042,814	1,263,780	11,612	1,275,392	0	1,263,780	1,263,780	126,190	1,708,655
June 30, 2054	1,708,655	1,283,266	9,853	1,293,119	0	1,283,266	1,283,266	105,552	1,300,183
June 30, 2055	1,300,183	1,197,994	8,710	1,206,704	0	1,197,994	1,197,994	80,356	806,769
June 30, 2056	806,769	1,144,637	7,194	1,151,831	0	1,144,637	1,144,637	49,915	217,027
June 30, 2057	217,027	1,139,331	5,753	1,145,084	0	1,139,331	1,139,331	13,543	19,296
June 30, 2058	19,296	1,138,502	4,403	1,142,905	0	1,138,502	1,138,502	1,322	5,725
June 30, 2059	5,725	1,078,976	3,682	1,082,658	0	1,078,976	1,078,976	464	4,146
June 30, 2060	4,146	1,087,373	2,757	1,090,130	0	1,087,373	1,087,373	339	3,096

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust for Current Plan Members	VII. Trust Withdrawals for Current Plan Members [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2061	3,096	1,051,797	2,211	1,054,008	0	1,051,797	1,051,797	258	2,469
June 30, 2062	2,469	1,012,448	1,744	1,014,192	0	1,012,448	1,012,448	205	1,949
June 30, 2063	1,949	1,012,580	1,308	1,013,888	0	1,012,580	1,012,580	160	1,468
June 30, 2064	1,468	959,053	637	959,690	0	959,053	959,053	110	747
June 30, 2065	747	931,125	515	931,640	0	931,125	931,125	62	577
June 30, 2066	577	926,127	317	926,444	0	926,127	926,127	45	362
June 30, 2067	362	909,693	131	909,824	0	909,693	909,693	26	157
June 30, 2068	157	898,237	106	898,343	0	898,237	898,237	13	119
June 30, 2069	119	886,500	0	886,500	0	886,500	886,500	7	7
June 30, 2070	7	866,427	0	866,427	0	866,427	866,427	0	0
June 30, 2071	0	852,739	0	852,739	0	852,739	852,739	0	0
June 30, 2072	0	831,880	0	831,880	0	831,880	831,880	0	0
June 30, 2073	0	808,956	0	808,956	0	808,956	808,956	0	0
June 30, 2074	0	784,809	0	784,809	0	784,809	784,809	0	0
June 30, 2075	0	760,284	0	760,284	0	760,284	760,284	0	0
June 30, 2076	0	734,932	0	734,932	0	734,932	734,932	0	0
June 30, 2077	0	700,842	0	700,842	0	700,842	700,842	0	0
June 30, 2078	0	663,110	0	663,110	0	663,110	663,110	0	0
June 30, 2079	0	633,752	0	633,752	0	633,752	633,752	0	0
June 30, 2080	0	593,658	0	593,658	0	593,658	593,658	0	0
June 30, 2081	0	557,388	0	557,388	0	557,388	557,388	0	0
June 30, 2082	0	519,892	0	519,892	0	519,892	519,892	0	0
June 30, 2083	0	478,820	0	478,820	0	478,820	478,820	0	0
June 30, 2084	0	442,737	0	442,737	0	442,737	442,737	0	0
June 30, 2085	0	404,679	0	404,679	0	404,679	404,679	0	0
June 30, 2086	0	366,024	0	366,024	0	366,024	366,024	0	0
June 30, 2087	0	328,687	0	328,687	0	328,687	328,687	0	0
June 30, 2088	0	292,877	0	292,877	0	292,877	292,877	0	0
June 30, 2089	0	258,888	0	258,888	0	258,888	258,888	0	0
June 30, 2090	0	226,877	0	226,877	0	226,877	226,877	0	0
June 30, 2091	0	197,070	0	197,070	0	197,070	197,070	0	0
June 30, 2092	0	169,602	0	169,602	0	169,602	169,602	0	0
June 30, 2093	0	144,578	0	144,578	0	144,578	144,578	0	0
June 30, 2094	0	122,020	0	122,020	0	122,020	122,020	0	0
June 30, 2095	0	101,921	0	101,921	0	101,921	101,921	0	0

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.16%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [3.90%]	
June 30, 2021	357,110	537,530	357,110	180,420	357,110	180,420	537,530	Sum of Column V.
June 30, 2022	502,739	548,225	502,739	45,486	473,567	44,516	527,633	12,663,386
June 30, 2023	571,203	600,045	571,203	28,842	506,837	27,625	555,816	
June 30, 2024	647,777	651,730	647,777	3,953	541,431	3,706	581,016	Sum of Column VI.
June 30, 2025	729,884	651,180	651,180	0	512,693	0	558,721	9,417,046
June 30, 2026	817,931	694,883	694,883	0	515,356	0	573,824	
June 30, 2027	912,033	723,653	723,653	0	505,551	0	575,137	Sum of Column VII.
June 30, 2028	1,011,921	697,700	697,700	0	459,137	0	533,682	[V. + VI.]
June 30, 2029	1,117,707	711,027	711,027	0	440,757	0	523,448	22,080,432
June 30, 2030	1,229,280	741,815	741,815	0	433,159	0	525,602	
June 30, 2031	1,347,433	737,651	737,651	0	405,734	0	503,020	
June 30, 2032	1,472,011	778,424	778,424	0	403,317	0	510,886	
June 30, 2033	1,600,731	844,405	844,405	0	412,116	0	533,375	
June 30, 2034	1,732,082	880,059	880,059	0	404,594	0	535,016	
June 30, 2035	1,863,919	932,899	932,899	0	404,000	0	545,837	
June 30, 2036	1,993,094	994,390	994,390	0	405,642	0	559,962	
June 30, 2037	2,116,299	997,909	997,909	0	383,457	0	540,837	
June 30, 2038	2,237,599	1,010,221	1,010,221	0	365,663	0	526,945	
June 30, 2039	2,355,199	1,074,095	1,074,095	0	366,224	0	539,219	
June 30, 2040	2,466,991	1,082,479	1,082,479	0	347,666	0	523,016	
June 30, 2041	2,576,290	1,148,586	1,148,586	0	347,492	0	534,112	
June 30, 2042	2,681,239	1,189,334	1,189,334	0	338,941	0	532,288	
June 30, 2043	2,775,604	1,207,476	1,207,476	0	324,144	0	520,109	
June 30, 2044	2,855,123	1,246,132	1,246,132	0	315,111	0	516,599	
June 30, 2045	2,914,289	1,271,746	1,271,746	0	302,927	0	507,415	
June 30, 2046	2,943,974	1,284,489	1,284,489	0	288,209	0	493,250	
June 30, 2047	2,936,118	1,324,455	1,324,455	0	279,933	0	489,494	
June 30, 2048	2,896,102	1,325,716	1,325,716	0	263,940	0	471,557	
June 30, 2049	2,817,261	1,290,225	1,290,225	0	241,969	0	441,695	
June 30, 2050	2,692,133	1,348,197	1,348,197	0	238,170	0	444,205	
June 30, 2051	2,526,070	1,328,605	1,328,605	0	221,090	0	421,308	
June 30, 2052	2,313,086	1,317,992	1,317,992	0	206,597	0	402,244	
June 30, 2053	2,042,814	1,263,780	1,263,780	0	186,605	0	371,212	
June 30, 2054	1,708,655	1,283,266	1,283,266	0	178,487	0	362,778	
June 30, 2055	1,300,183	1,197,994	1,197,994	0	156,958	0	325,951	
June 30, 2056	806,769	1,144,637	806,769	337,868	99,567	158,933	299,736	
June 30, 2057	217,027	1,139,331	217,027	922,304	25,230	424,603	287,141	
June 30, 2058	19,296	1,138,502	19,296	1,119,206	2,113	504,267	276,154	
June 30, 2059	5,725	1,078,976	5,725	1,073,251	591	473,253	251,886	
June 30, 2060	4,146	1,087,373	4,146	1,083,227	403	467,470	244,311	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.16%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [3.90%]
June 30, 2061	3,096	1,051,797	3,096	1,048,701	283	442,923	227,442
June 30, 2062	2,469	1,012,448	2,469	1,009,979	213	417,475	210,710
June 30, 2063	1,949	1,012,580	1,949	1,010,631	158	408,839	202,822
June 30, 2064	1,468	959,053	1,468	957,585	112	379,122	184,885
June 30, 2065	747	931,125	747	930,378	54	360,498	172,759
June 30, 2066	577	926,127	577	925,550	39	350,983	165,377
June 30, 2067	362	909,693	362	909,331	23	337,481	156,341
June 30, 2068	157	898,237	157	898,080	9	326,201	148,574
June 30, 2069	119	886,500	119	886,381	7	315,088	141,125
June 30, 2070	7	866,427	7	866,420	0	301,427	132,749
June 30, 2071	0	852,739	0	852,739	0	290,343	125,745
June 30, 2072	0	831,880	0	831,880	0	277,203	118,061
June 30, 2073	0	808,956	0	808,956	0	263,818	110,496
June 30, 2074	0	784,809	0	784,809	0	250,487	103,171
June 30, 2075	0	760,284	0	760,284	0	237,486	96,193
June 30, 2076	0	734,932	0	734,932	0	224,674	89,493
June 30, 2077	0	700,842	0	700,842	0	209,685	82,136
June 30, 2078	0	663,110	0	663,110	0	194,166	74,795
June 30, 2079	0	633,752	0	633,752	0	181,614	68,799
June 30, 2080	0	593,658	0	593,658	0	166,498	62,026
June 30, 2081	0	557,388	0	557,388	0	152,993	56,049
June 30, 2082	0	519,892	0	519,892	0	139,659	50,315
June 30, 2083	0	478,820	0	478,820	0	125,884	44,599
June 30, 2084	0	442,737	0	442,737	0	113,916	39,689
June 30, 2085	0	404,679	0	404,679	0	101,904	34,915
June 30, 2086	0	366,024	0	366,024	0	90,206	30,394
June 30, 2087	0	328,687	0	328,687	0	79,277	26,268
June 30, 2088	0	292,877	0	292,877	0	69,134	22,527
June 30, 2089	0	258,888	0	258,888	0	59,808	19,165
June 30, 2090	0	226,877	0	226,877	0	51,296	16,164
June 30, 2091	0	197,070	0	197,070	0	43,607	13,513
June 30, 2092	0	169,602	0	169,602	0	36,729	11,193
June 30, 2093	0	144,578	0	144,578	0	30,642	9,183
June 30, 2094	0	122,020	0	122,020	0	25,310	7,459
June 30, 2095	0	101,921	0	101,921	0	20,690	5,997

APPENDIX II – PLAN PROVISIONS

Plan Year

July 1 through June 30.

Premium Effective Date

Medicare Supplement Plans: effective January 1, 2021

Active Plans: effective July 1, 2021

Dental Plans: N/A

Creditable Service

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

Benefits Offered

Comprehensive Medical Insurance offered as well as \$5,000 of Group Term Life Insurance.

Medicare Part A

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

Medicare Part B

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

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

Surviving Spouse Coverage

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

APPENDIX II – PLAN PROVISIONS

Eligibility

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

Participant Contributions

Group	Individual	Two-Person / Family
Medical	50%	50%
Dental	100%	100%
Life	50%	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONSPre-Retirement Mortality

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

Post-Retirement Mortality

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

Disabled Mortality

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

Assumption Experience Study

The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

Discount Rate

4.00% per annum (previously 4.00%)

Net Long Term Rate of Return

6.16% (based on investment policy)

Municipal Bond Rate

2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Actuarial Cost Method

Individual Entry Age Normal

Asset-Valuation Method

Market Value of Assets as of the Measurement Date, June 30, 2021

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

Non-Public Safety Employees

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

Public Safety Employees

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Retirement Rates for Eligible Employees

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

Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

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

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

Inflation (CPI):	2.50%
Real GDP (per capita):	1.10%
Excess Medical Cost Growth:	1.10%
Expected Health Share of GDP in 2029:	20%
Health Share of GDP Resistance Point:	22.5%
Year for Limiting Cost Growth to GDP Growth:	2060

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

Year	Rate
2020 - 2023	4.50%
2024	4.54%
2025	4.59%
2026	4.63%
2027	4.68%
2028	4.72%
2029 - 2040	4.77%
2045	4.53%
2050	4.43%
2055	4.00%
2060	3.63%
2061+	3.60%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

It was assumed that 80% of employees eligible to receive retirement benefits would enroll in the retiree medical 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, 2021</u>	<u>June 30, 2020</u>
I. Total OPEB Liability	17,038,289	13,988,184
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>12,604,912</u>	<u>12,130,805</u>
III. Liability from Implicit Subsidy [I. - II.]	4,433,377	1,857,379

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2021</u>	<u>June 30, 2020</u>
IV. Employer Payments (Including Implicit Subsidy)	537,530	497,642
V. Actual Employer Payments	<u>407,060</u>	<u>391,523</u>
VI. Implicit Subsidy [IV. - V.]	130,470	106,119

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	5,347	3,371	44 & Under	10,984	7,198	65 to 69	3,282	3,370
25 to 29	7,889	3,508	45 to 49	12,065	9,088	70 to 74	3,872	4,039
30 to 34	9,969	4,403	50 to 54	14,193	11,968	75 to 79	4,492	4,770
35 to 39	10,270	5,528	55 to 59	16,408	15,560	80 to 84	5,152	5,483
40 to 44	10,511	6,888	60 to 64	19,524	19,967	85 to 89	5,759	6,108
45 to 49	11,545	8,697	65 to 69	23,405	24,906	90 & Over	5,759	6,108
50 to 54	13,582	11,453	70 to 74	27,600	29,847			
55 to 59	15,701	14,890	75 to 79	32,053	35,251			
60 to 64	18,683	19,107	80 to 84	36,751	40,519			
65 to 69	22,397	23,833	85 to 89	41,950	46,379			
70 & Over	26,411	28,562	90 & Over	41,950	46,379			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Open Group Forecast

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

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

Additional Comments

The liabilities being reported as of the Measurement Date of June 30, 2021 reflect a closed group and do not reflect any new entrants after the valuation date.

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

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2020	July 1, 2018
A. Average Age at Hire	34.76	35.22
B. Average Service	<u>11.33</u>	<u>10.69</u>
C. Average Current Age	46.09	45.91

Retired Employees & Spouses

Valuation Date	July 1, 2020	July 1, 2018
A. Under Age 65	21	18
B. Age 65 & Over	<u>106</u>	<u>101</u>
C. Total	127	119

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	3									3
25-29	6	1								7
30-34	11	4	1	2						18
35-39	5	2	5	1						13
40-44	2	1	5	4	1					13
45-49	5	2	6	3	3	2				21
50-54	5	3	3		2					13
55-59	4		4	4	4	2	2			20
60-64		1	3	1	4	2				11
65-69										
70+		1					1			2
Total	41	15	27	15	14	6	3			121

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Network Blue	22		19	41
Blue Care PPO			3	3
Network Blue Rate Saver	1		3	4
Blue Care Elect Benchmark			1	1
Network Blue Benchmark	1		1	2
Harvard Pilgrim	8		9	17
Harvard Pilgrim Rate Saver	1			1
Medex	39	34		73
Total	72	34	36	142

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Network Blue	975.00		2,598.00
Blue Care PPO	1,383.00		3,277.00
Network Blue Rate Saver	878.00		2,342.00
Blue Care Elect Benchmark	1,148.00		2,723.00
Network Blue Benchmark	811.00		2,158.00
Harvard Pilgrim	1,055.00		2,811.00
Harvard Pilgrim Rate Saver	952.00		2,533.00
Medex	378.00	756.00	
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
Network Blue	22		19	60	849,744.00	702,000.00
Blue Care PPO			3	6	117,972.00	99,576.00
Network Blue Rate Saver	1		3	7	94,848.00	73,752.00
Blue Care Elect Benchmark			1	2	32,676.00	27,552.00
Network Blue Benchmark	1		1	3	35,628.00	29,196.00
Harvard Pilgrim	8		9	26	404,868.00	329,160.00
Harvard Pilgrim Rate Saver	1			1	11,424.00	11,424.00
Total	33	0	36	105	1,547,160.00	1,272,660.00
			Blended Average Monthly Rate:			\$ 1,010.05

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Medex	39	34		107	485,352.00	485,352.00
Total	39	34	0	107	485,352.00	485,352.00
			Blended Average Monthly Rate:			\$ 378.00

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

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

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

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

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

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

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

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

Identification of the Responsible Actuary

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

Identification of Actuarial Documents

The date of this document is September 13, 2021 and its subject is the Town of Halifax’s GASB 75 OPEB liabilities.

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town's appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of Halifax has agreed to pay Odyssey Advisors a fee for preparing this report. Other than with regard to that contract, we are financially and organizationally independent from the Town and any entity or individual related to the Town. There is nothing in our relationship with the Town that would impair or seem to impair the objectivity of our work.
- ✓ The Town provided the employee/retiree data, premium rates and other information used to prepare our report. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results may be accordingly affected.
- ✓ The date through which data or other information has been considered in developing the findings included in this report is June 30, 2021.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

APPENDIX VI – ASOP 41 DISCLOSURES

Events Subsequent to the Measurement Date

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

Actuarial Findings

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

Methods, Procedures, Assumptions, and Data

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

Assumptions or Methods Prescribed by Law

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

Responsibility for Assumptions and Methods

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

Deviation from the Guidance of an ASOP

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

Rounding

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

GLOSSARY

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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