

# Town of Wellesley - Municipal Light Department

**Governmental Accounting Standards Board (GASB)  
Statements 74 and 75 Accounting Valuation Report**

**Measured at June 30, 2024**

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**Segal**



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July 31, 2024

Mr. David G. Wood  
Director  
Wellesley Municipal Light Plant  
4 Municipal Way  
Wellesley, MA 02481

Dear Mr. Wood:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statements No. 74 and 75 Accounting Valuation as of June 30, 2024 for the Town of Wellesley - Municipal Light Department. It contains the actuarial information that will need to be disclosed in order to comply with GASB 74 and 75. Except as otherwise noted, please refer to the Town of Wellesley Actuarial Valuation and Review of Other Postretirement Benefits (OPEB) as of December 31, 2022, dated August 25, 2023, for the data, assumptions and plan of benefits underlying these calculations.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Town of Wellesley – Municipal Light Department, based upon information provided by the Town of Wellesley and the Town's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under our supervision. We are members of the American Academy of Actuaries and collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Town of Wellesley – Municipal Light Department based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Town of Wellesley – Municipal Light Department and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

July 31, 2024

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Town of Wellesley – Municipal Light Department is encouraged to discuss any issues raised in this report with the your legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

Segal

  
Kathleen A. Riley, FSA, MAAA, EA  
Senior Vice President and Chief Actuary

  
Mark J. Noonan, ASA, MAAA  
Vice President and Health Actuary

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# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information for the Town of Wellesley - Municipal Light Department (the "Employer") Other Postemployment Benefits (OPEB) plan and the Town of Wellesley - Municipal Light Department OPEB Trust (the "Plan") as of June 30, 2024, required by Governmental Accounting Standards Board (GASB) Statements No. 74 and 75. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This report is based on financial information as of June 30, 2024 provided by the Town of Wellesley and the Town of Wellesley Actuarial Valuation and Review as of December 31, 2022, which reflects:

- The benefit provisions of the OPEB plan;
- The characteristics of covered active participants and retired participants and beneficiaries as of December 31, 2022;
- The assets as of December 31, 2022;
- Economic assumptions regarding future salary increases and investment earnings;
- Health care assumptions regarding per capita costs, trend rates and participation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

## Highlights of the valuation

### Accounting and financial reporting

- The Net OPEB Liability (NOL) is equal to the difference between the Total OPEB Liability (TOL) and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets. The NOL decreased from -\$2.0 million as of June 30, 2023 to -\$2.3 million as of June 30, 2024 and the Plan's Fiduciary Net Position as a percent of the TOL increased from 132.24% to 132.99%.
- The NOL measured as of June 30, 2024 and June 30, 2023 was determined based upon the results of actuarial valuation as of December 31, 2022.
- The discount rate used to measure the TOL and NOL as of June 30, 2024 and June 30, 2023 was 6.00%.

## Section 1: Actuarial Valuation Summary

- The TOL measured as of June 30, 2024 reflects changes in the first year non-Medicare and Medicare trends to reflect known premium increases and changes in the second year Medicare trends to reflect estimates of the impact of the Inflation Reduction Act of 2022 (IRA) on Medicare Advantage Prescription Drug plans. The IRA includes material benefit cost-sharing changes for 2025, most notably implementing a \$2,000 member out-of-pocket maximum, as well as various funding changes that are used to reduce premiums for Medicare prescription drug plans. Both changes are expected to significantly increase premiums. Our projections include an estimated impact of the IRA that will occur during calendar year 2025 based on preliminary information. Final guidance, rules, and clarifications will be provided by the Centers for Medicare & Medicaid Services in the summer of 2024.
- The Annual OPEB Expense increased from \$19,071 for the year ending June 30, 2023 to \$116,571 for the year ending June 30, 2024.

# Section 1: Actuarial Valuation Summary

## Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

| Input Item                   | Description  |
|------------------------------|--|
| <b>Plan of benefits</b>      | Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Town of Wellesley - Municipal Light Department to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.   |
| <b>Participant data</b>      | An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.   |
| <b>Assets</b>                | The valuation is based on the market value of assets as of the valuation date, as provided by the Town of Wellesley - Municipal Light Department.  |
| <b>Actuarial assumptions</b> | In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong. |

## Section 1: Actuarial Valuation Summary

| Input Item       | Description  |
|------------------|--|
| Actuarial Models | <p>Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.</p> <p>The results are also based on models for cost projections developed by Segal actuaries and programmers. The client team customizes and validates the models, and reviews the results, under the supervision of the responsible actuary.</p> <p>Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.</p> |

## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared for use by the Town of Wellesley - Municipal Light Department. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If the Town of Wellesley - Municipal Light Department is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Town of Wellesley - Municipal Light Department should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Town of Wellesley - Municipal Light Department upon delivery and review. The Town of Wellesley - Municipal Light Department should notify Segal immediately of any questions or concerns about the final content.

# Section 2: GASB Information

## General information about the OPEB plan

**Plan membership.** At December 31, 2022, the Town of Wellesley - Municipal Light Department's plan membership consisted of the following:

| Category of membership   | Number as of December 31, 2022 |
|--|--------------------------------|
| Retired members or beneficiaries currently receiving benefits <sup>1</sup> | 38                             |
| Active members   | 20                             |
| <b>Total</b>   | <b>58</b>                      |

We have assumed other general information about the Plan will be provided by the Municipal Light Department's auditors.

<sup>1</sup> Count excludes 1 retiree with life insurance only.

## Section 2: GASB Information

### Net OPEB Liability

| Components of the Net OPEB Liability   | Current       | Prior         |
|--|---------------|---------------|
| Reporting date for employer under GASB 75  | June 30, 2024 | June 30, 2023 |
| Measurement date   | June 30, 2024 | June 30, 2023 |
| Total OPEB Liability   | \$6,909,604   | \$6,267,311   |
| Plan Fiduciary Net Position  | 9,188,909     | 8,288,184     |
| Net OPEB Liability   | -2,279,305    | -2,020,873    |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability <sup>1</sup> | 132.99%       | 132.24%       |

**Actuarial assumptions.** The Total OPEB Liability as of June 30, 2024 was measured by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| Assumption                   | Description  |
|------------------------------|--|
| Wage inflation               | 3.00%  |
| Salary increases             | Service related increases for Group 1 and 2 members: 7.0% decreasing over 11 years to an ultimate level of 3.5%<br>Service related increases for Group 4 members: 8.0% decreasing over 11 years to an ultimate level of 4.0%   |
| Discount rate                | 6.00%  |
| Health care cost trend rates | Medical and Prescription Drug (non-Medicare): 9.14% <sup>2</sup> , then 7.75% graded by 0.25% for 13 years to an ultimate level of 4.50%<br>Medical and Prescription Drug (Medicare): 7.09% <sup>2</sup> , 17.47% <sup>3</sup> then 7.50% graded by 0.25% for 12 years to an ultimate level of 4.50%<br>Part B: 4.5% |

<sup>1</sup> These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

<sup>2</sup> The first year medical and prescription drug trend assumption was revised to reflect known increases.

<sup>3</sup> The second year medical and prescription drug (Medicare) trend assumption was revised to reflect the impact of the Inflation Reduction Act of 2022.

## Section 2: GASB Information

| Assumption      | Description  |
|-----------------|--|
| Mortality rates | Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 set forward one year for females<br>Healthy Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year for females<br>Disabled Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year |

Detailed information regarding all actuarial assumptions can be found in the Town of Wellesley Actuarial Valuation and Review of Other Postretirement Benefits (OPEB) as of December 31, 2022, dated August 25, 2023.

## Section 2: GASB Information

### Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

| Asset Class                            | Target Allocation | Long-Term Expected Real Rate of Return |
|--|-------------------|--|
| Domestic equity                        | 22.00%            | 6.29%                                  |
| International developed markets equity | 9.50%             | 6.39%                                  |
| International emerging markets equity  | 4.50%             | 7.63%                                  |
| Core fixed income                      | 15.00%            | 1.72%                                  |
| High-yield fixed income                | 9.00%             | 3.43%                                  |
| Real estate                            | 10.00%            | 3.24%                                  |
| Timber                                 | 4.00%             | 3.72%                                  |
| Hedge fund, GTAA, Risk parity          | 10.00%            | 2.87%                                  |
| Private equity                         | 16.00%            | 9.43%                                  |
| <b>Total</b>                           | <b>100.00%</b>    |  |

Note: Some asset classes included in the pension plan's target asset allocation have been combined.

**Nature of Assets:** The assets are in an irrevocable OPEB Trust and are invested in the State Retiree Benefits Trust Fund.

**Discount rate.** The discount rate used to measure the Total OPEB Liability (TOL) was 6.00% as of June 30, 2024. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Section 2: GASB Information

### Sensitivity

The following presents the NOL of the Town of Wellesley - Municipal Light Department as well as what the Town of Wellesley - Municipal Light Department's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate. Also, shown is the NOL as if it were calculated using health care cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

| Item                       | 1% Decrease<br>(5.00%)                            | Current<br>Discount Rate<br>(6.00%)        | 1% Increase<br>(7.00%)                            |
|----------------------------|---|--|---|
| Net OPEB Liability (Asset) | -\$1,395,658                                      | -\$2,279,305                               | -\$3,015,338                                      |
| Item                       | 1% Decrease in<br>Health Care Cost<br>Trend Rates | Current<br>Health Care Cost<br>Trend Rates | 1% Increase in<br>Health Care Cost<br>Trend Rates |
| Net OPEB Liability (Asset) | -\$3,171,036                                      | -\$2,279,305                               | -\$1,179,827                                      |

## Section 2: GASB Information

### Schedule of changes in Net OPEB Liability – Last two fiscal years

| Components of the Net OPEB Liability                        | Current            | Prior              |
|---|--------------------|--------------------|
| <b>Reporting and measurement dates</b>                      |                    |                    |
| Reporting date for employer under GASB 75                   | June 30, 2024      | June 30, 2023      |
| Measurement date  | June 30, 2024      | June 30, 2023      |
| <b>Total OPEB Liability</b>                                 |                    |                    |
| Service cost  | \$215,039          | \$255,592          |
| Interest  | 380,167            | 386,879            |
| Change of benefit terms                                     | 0                  | 0                  |
| Differences between expected and actual experience          | 0                  | -545,440           |
| Changes of assumptions                                      | 343,880            | 120,399            |
| Benefit payments, including refunds of member contributions | -296,793           | -280,919           |
| <b>Net change in Total OPEB Liability</b>                   | <b>\$642,293</b>   | <b>-\$63,489</b>   |
| Total OPEB Liability – beginning                            | 6,267,311          | 6,330,800          |
| <b>Total OPEB Liability – ending</b>                        | <b>\$6,909,604</b> | <b>\$6,267,311</b> |
| <b>Plan Fiduciary Net Position</b>                          |                    |                    |
| Contributions – employer                                    | \$396,793          | \$407,426          |
| Contributions – employee                                    | 0                  | 0                  |
| Net investment income                                       | 800,725            | 447,695            |
| Benefit payments, including refunds of member contributions | -296,793           | -280,919           |
| Administrative expense                                      | 0                  | 0                  |
| <b>Net change in Plan Fiduciary Net Position</b>            | <b>\$900,725</b>   | <b>\$574,202</b>   |
| Plan Fiduciary Net Position – beginning                     | 8,288,184          | 7,713,982          |
| <b>Plan Fiduciary Net Position – ending</b>                 | <b>\$9,188,909</b> | <b>\$8,288,184</b> |

## Section 2: GASB Information

| Components of the Net OPEB Liability                                    | Current      | Prior        |
|---|--------------|--------------|
| <b>Net OPEB Liability</b>   |              |              |
| Net OPEB Liability – ending   | -\$2,279,305 | -\$2,020,873 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 132.99%      | 132.24%      |
| Covered payroll   | N/A          | N/A          |
| Plan Net OPEB Liability as percentage of covered payroll                | N/A          | N/A          |

Note: Please enter covered payroll for missing years

### Notes to Schedule:

- **Benefit changes:**

- Effective June 30, 2023:  
None
- Effective June 30, 2024:  
None

- **Changes of assumptions:**

- Effective June 30, 2023:  
The per capita health costs and contributions were updated. The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated.  
The trend assumptions were revised.  
The mortality projection scale was updated.  
The Medicare enrollment assumption for future retirees hired prior to 1986 and current retirees under age 65 was lowered.  
The percentage of active participants assumed to elect health coverage at retirement was lowered.  
The percentage of participants assumed to have an eligible spouse who also opts for health coverage was lowered.
- Effective June 30, 2024:  
The medical and prescription drug trend assumption was revised to reflect known increases and the estimated impact of the Inflation Reduction Act of 2022.

## Section 2: GASB Information

### OPEB expense

| Components of OPEB expense   | Current          | Prior           |
|--|------------------|-----------------|
| Reporting date for employer under GASB 75  | June 30, 2024    | June 30, 2023   |
| Measurement date   | June 30, 2024    | June 30, 2023   |
| Components of OPEB expense   |                  |                 |
| Service cost   | \$215,039        | \$255,592       |
| Interest on the Total OPEB Liability   | 380,167          | 386,879         |
| Current-period benefit changes   | 0                | 0               |
| Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability | 0                | -109,088        |
| Expensed portion of current-period changes of assumptions  | 85,970           | 24,079          |
| Member contributions   | 0                | 0               |
| Projected earnings on OPEB plan investments  | -500,291         | -466,634        |
| Expensed portion of current-period differences between actual and projected earnings on OPEB plan investments    | -60,086          | 3,787           |
| Administrative expense   | 0                | 0               |
| Recognition of beginning of year deferred outflows of resources as OPEB expense                                  | 397,930          | 379,997         |
| Recognition of beginning of year deferred inflows of resources as OPEB expense                                   | -402,158         | -455,541        |
| <b>OPEB expense</b>  | <b>\$116,571</b> | <b>\$19,071</b> |

## Section 2: GASB Information

### Deferred outflows of resources and deferred inflows of resources

| Deferred Outflows and Inflows  | Current          | Prior            |
|--|------------------|------------------|
| <b>Reporting and measurement dates</b>   |                  |                  |
| Reporting date for employer under GASB 75  | June 30, 2024    | June 30, 2023    |
| Measurement date   | June 30, 2024    | June 30, 2023    |
| <b>Deferred outflows of resources</b>  |                  |                  |
| Changes of assumptions   | \$524,716        | \$388,169        |
| Net difference between projected and actual earnings on OPEB plan investments  | 0                | 0                |
| Difference between expected and actual experience in the Total OPEB Liability  | 121,248          | 181,872          |
| <b>Total deferred outflows of resources</b>  | <b>\$645,964</b> | <b>\$570,041</b> |
| <b>Deferred inflows of resources</b>   |                  |                  |
| Changes of assumptions   | \$15,014         | \$30,028         |
| Net difference between projected and actual earnings on OPEB plan investments  | 193,150          | 14,915           |
| Difference between expected and actual experience in the Total OPEB Liability  | 327,264          | 436,352          |
| <b>Total deferred inflows of resources</b>   | <b>\$535,428</b> | <b>\$481,295</b> |
| <b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b> |                  |                  |
| Reporting date for employer under GASB 75 year ended June 30:  |                  |                  |
| 2024   | N/A              | -\$4,228         |
| 2025   | -\$33,555        | -59,438          |
| 2026   | 259,515          | 233,632          |
| 2027   | -55,337          | -81,220          |
| 2028   | -60,087          | 0                |
| 2029   | 0                | 0                |
| Thereafter   | 0                | 0                |

Note: Average expected remaining service lives is 4 years.

## Section 2: GASB Information

### Schedule of reconciliation of Net OPEB Liability

| Item   | Current             | Prior               |
|--|---------------------|---------------------|
| <b>Reporting and measurement dates</b>           |                     |                     |
| Reporting date for employer under GASB 75        | June 30, 2024       | June 30, 2023       |
| Measurement date                                 | June 30, 2024       | June 30, 2023       |
| <b>Net OPEB Liability</b>                        |                     |                     |
| Beginning Net OPEB Liability                     | -\$2,020,873        | -\$1,383,182        |
| • OPEB expense                                   | 116,571             | 19,071              |
| • Employer contributions                         | -396,793            | -407,426            |
| • New net deferred inflows/outflows              | 17,562              | -324,880            |
| • Recognition of prior deferred inflows/outflows | 4,228               | 75,544              |
| <b>Ending Net OPEB Liability</b>                 | <b>-\$2,279,305</b> | <b>-\$2,020,873</b> |

## Section 2: GASB Information

### Schedule of employer contributions – last eight fiscal years

| Year Ended June 30 | Contributions in Relation to the     |                                      | Contribution Deficiency / (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------|--------------------------------------|--------------------------------------|------------------------------------|-----------------|--|
|                    | Actuarially Determined Contributions | Actuarially Determined Contributions |                                    |                 |  |
| 2017               | \$478,266                            | \$568,889                            | -\$90,623                          | N/A             | N/A  |
| 2018               | 374,564                              | 452,308                              | -77,744                            | N/A             | N/A  |
| 2019               | 130,344                              | 468,763                              | -338,419                           | N/A             | N/A  |
| 2020               | 134,456                              | 434,910                              | -300,454                           | N/A             | N/A  |
| 2021               | 194,432                              | 304,145                              | -109,713                           | N/A             | N/A  |
| 2022               | 126,369                              | 439,761                              | -313,392                           | N/A             | N/A  |
| 2023               | 83,684                               | 407,426                              | -323,742                           | N/A             | N/A  |
| 2024               | 43,485                               | 396,793                              | -353,308                           | N/A             | N/A  |

Note: Please enter covered payroll for missing years

See accompanying notes to this schedule on next page.

## Section 2: GASB Information

### Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

| Method or Assumption                 | Description  |
|--------------------------------------|--|
| <b>Valuation date</b>                | Actuarially determined contribution for fiscal year ending June 30, 2023 was determined with the December 31, 2022 actuarial valuation.  |
| <b>Actuarial cost method</b>         | Entry Age Normal - Level Percentage of Payroll   |
| <b>Amortization method</b>           | Payments increase 3.0% per year.   |
| <b>Remaining amortization period</b> | 14 years as of July 1, 2023  |
| <b>Asset valuation method</b>        | Market value   |
| <b>Investment rate of return</b>     | 6.00%  |
| <b>Wage inflation</b>                | 3.00%  |
| <b>Health care cost trend rates</b>  | Medical and Prescription Drug: 8.00% graded by 0.25% for 14 years to an ultimate level of 4.50%<br>Part B: 4.5%  |
| <b>Mortality rates</b>               | Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 set forward one year for females<br>Healthy Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year for females<br>Disabled Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year |