

Board Members
Glenn Trindade Chair
Frank Rossi, Vice-Chair
Todd Alessandri, Clerk
Dennis Crowley, Member
Maryjane White, Member



Medway Town Hall
155 Village Street
Medway, MA 02053
Telephone (508) 533-3264
Fax (508) 321-4988

TOWN OF MEDWAY COMMONWEALTH OF MASSACHUSETTS

SELECT BOARD

Select Board Meeting

January 2, 2024, 7:00 PM

Sanford Hall, Town Hall

155 Village Street

Amended Agenda

7:00 PM

- Call to order; Recitation of the Pledge of Allegiance
- Public Comments

Other Business

1. 7:00PM Public Hearing: Opt-Out of Vote by Mail for May 2024 Town Election
2. Approval: Proposed March 5, 2024, Presidential Primary Early Voting Hours
3. Approval: Election Police Details for March 5, 2024 (Presidential Primary), May 21, 2024 (Town Election), September 3, 2024 (State Primary), and November 5, 2024 (State Election)
4. Approval of Minutes: December 18, 2023
5. Vote: Institute a Town-wide 25 MPH Speed Limit Unless Otherwise Posted
6. Presentation: Fiscal Year 2023 Financial Statements by Roselli, Clark, & Associates
7. Presentation: Fiscal Year 2023 Other Post Employee Benefits (OPEB) Actuarial Valuation Report by Odyssey Advisors
8. Vote: Open May 13, 2024, **Special and Annual Town Meeting Warrants***
9. **Vote: Fiscal Year 2025 MetroWest Veterans' District Agreement and Budget***
10. Action Items from Previous Meeting
11. Town Manager's Report
12. Select Board Reports
13. Executive Session for Reason Exemption 6: To consider the purchase, lease, or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body and the chair so declares [123 Holliston Street]

For more information on agenda items, please visit the Select Board's page at www.townofmedway.org

Upcoming Meetings, Agenda and Reminders

January 16, 2024 --- Regular Meeting (Holiday Week)

February 5, 2024 --- Regular Meeting

Members of the public may watch the meeting on:

- Medway Cable Access - Channel 6 on Comcast Cable
- Medway Cable Access - Channel 35 on Verizon Cable
 - <https://www.facebook.com/medwaycable/>
- <https://livestream.com/medwaycableaccess/selectboard>

*Amendments added 12/28/23

AGENDA ITEM

#1

7:00PM Public Hearing: Opt-Out of Vote by Mail for May 2024 Town Election

Associated back up materials attached:

- *Memo from Town Clerk Stefany Ohannesian*

Proposed Motions:

I move that the Board open the public hearing.

NOTE: Reminder to ask for public comment.

I move that the Board closed the public hearing.

I move that the Board opt-out of vote by mail for the May 2024 Town Election.



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
TOWN CLERK'S OFFICE

*Medway Town Hall
155 Village Street
Medway, MA 02053
Phone (508) 533-3204
Fax (508) 321-4988
sohannesian@townofmedway.org
www.townofmedway.org*

December 6, 2023

Re: Opting out of Vote by Mail for Local Election (May 21, 2024)

Dear Select Board Members:

Per the VOTES Act of 2022 regarding Early Voting:

“Effective immediately, early voting by mail must be available for all state elections, state primaries, and presidential primaries.

Early voting by mail is also required for all local elections and preliminaries, unless the city or town opts out. In order to opt out of Vote by Mail for a local election, the selectmen, city council, or town council must hold a public hearing and public roll call vote to NOT allow Vote by Mail no later than 45 days before the date of the election. Cities and towns cannot opt out of Vote by Mail for a local election if the election is happening on the same day as a state election, state primary, or presidential primary.”

I am requesting that the Board opt-out of Vote by Mail for the May 21, 2024 local election. During State election years the Elections Division sends every registered voter (active and inactive) a postcard asking if they would like to Vote by Mail for any and all elections occurring during that year. Currently there are approximately 10,680 registered voters including inactive voters, although it is unrealistic that every registered voter will want a Vote by Mail ballot, if they all do, the Town Clerks' office will be responsible for mailing out ballots for each of them. Potentially costing upwards of \$10,000 in postage. Voters still have the option to Absentee vote by mail as well as in person until 12:00 p.m. the day before the election. Voter turnout for local elections has fluctuated, however there has not been more than a 20% turnout in the last 10 years. Based on data collected for local elections, offering vote by mail would not affect voter turnout or hinder it in any way.

If you have any questions please let me know, thank you!

Thank you,

Stefany Ohannesian

AGENDA ITEM

#2

**Approval: Proposed March 5, 2024,
Presidential Primary Early Voting Hours**

Associated back up materials attached:

- *Memo from Town Clerk Stefany Ohannesian*

Proposed Motion:

I move that the Board approve the March 5, 2024, Presidential Primary Early Voting hours as discussed.



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
TOWN CLERK'S OFFICE

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155 Village Street
Medway, MA 02053
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Fax (508) 321-4988
sohannesian@townofmedway.org
www.townofmedway.org*

December 6, 2023

Re: March 5, 2024 Presidential Primary Early Voting Hours

Dear Select Board Members:

Per the VOTES Act for Primary Elections the Town Clerks' office is required to have Early Voting available for 1 weekend day and 1 week of regular business hours. Early voting will take place in the 1st floor conference room of the Town Hall. Below are my proposed hours for approval:

Saturday February 24, 2024 – 10:00 am – 4:00 pm

Monday February 26, 2024 – 7:30 am – 5:30 pm

Tuesday February 27, 2024 – 7:30 am – 4:30 pm

Wednesday February 28, 2024 – 7:30 am – 4:30 pm

Thursday February 29, 2024 – 7:30 am – 4:30 pm

Friday March 1, 2024 – 7:30 am – 12:30 pm

If you have any further questions, please don't hesitate to contact me!

Thank you,

Stefany Ohannesian

AGENDA ITEM

#3

**Approval: Election Police Details for
March 5, 2024 (Presidential Primary),
May 21, 2024 (Town Election),
September 3, 2024 (State Primary), and
November 5, 2024 (State Election)**

Associated back up materials attached:

- *Memo from Town Clerk Stefany Ohannesian*

Proposed Motion:

I move that the Board approve the election police details for the March 5, 2024, Presidential Primary, May 21, 2024, Town Election, September 3, 2024, State Primary, and November 5, 2024, State Election as discussed.



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December 6, 2023

Re: Election Police Details for March 5, 2024 (Presidential Primary), May 21, 2024 (Town Election), September 3, 2024 (State Primary), and November 5, 2024 (State Election)

Dear Select Board Members:

As part of the "VOTES Act":

"Police Officer Assignments

Effective immediately, the law regarding assignment of police officers at polling places is amended to require the board of selectmen, town council, or city council to assign police officers and constables to polling places. Previously, this was the responsibility of the chief of police."

I am writing to request that two details be assigned for each Election (March 5, 2024 Presidential Primary, May 21, 2024, Town Election, September 3, 2024 State Primary), one for a full day (7:00 am – 8:00 pm) and one from 7:00 a.m. – 3:00 p.m. (during school hours) and three details for the November 5, 2024 State Election, two full day (7:00 am – 8:00 pm) and one 7:00 a.m. – 3:00 p.m. (during school hours). I also ask that the delegation of officers be assigned to Chief William Kingsbury and me for scheduling them.

Thank you very much, please let me know if you have any questions.

Stefany Ohannesian

AGENDA ITEM

#4

Approval of Minutes: December 18, 2023

Associated back up materials attached:

- *December 18, 2023, draft minutes*

**Select Board Meeting
December 18, 2023 – 7:00 PM
Sanford Hall
155 Village Street**

Present: Glenn Trindade, Chair; Frank Rossi, Vice-Chair; Todd Alessandri, Clerk; Dennis Crowley, Member; Maryjane White, Member.

Staff Present: Michael Boynton, Town Manager; Allison Potter, Assistant Town Manager; Peter Pelletier, Department of Public Works (DPW) Director; Derek Kwok, Health Director; Sandra Johnston, Communications Director.

Others Present: Chipotle Mexican Grill: Alberto Lopez, Store General Manager, Ben Ferrell, Team Director of Operations; Deb Rossi, Parks Commission Chair.

At 7:00 PM, Mr. Trindade called the meeting to order and led the Pledge of Allegiance.

Public Comments: There were none.

Mr. Boynton updated the Board on the Fire, Police, DPW, and Building Commissioner's efforts during today's storm. He reported on the following road closures: (1) West Street, which we hope to have open in one hour, (2) Highland Street between Milford and Summer Streets due to downed wires, (3) Lovering Street due to a tree down near Longmeadow Lane, (4) North Street at Oakland Street due to a downed tree and wires, (5) Franklin Street between Village and Main Streets, and (6) Holliston Street at both Causeway Street and Pine Street. He reported that an Eversource liaison is in Town Hall coordinating efforts. He reported of a potential flooding issue on Milford Street near Gray Squirrel Circle. He commended all on their efforts and does not anticipate an issue with school opening tomorrow.

Approval of Minutes: December 4, 2023

The Board reviewed the draft minutes of December 4, 2023.

Mr. Alessandri moved that the Board approve the minutes of December 4, 2023. Ms. White seconded. Discussion: Mr. Alessandri asked that on page 5 that "at this time" be added to the end of the sentence on line 240. **VOTE: 5-0-0.**

Authorization to Expend Grant Funds: Paramedic Pedal Program Grant - \$20,000

The Board reviewed the (1) notice of grant award form, and (2) grant award notification.

Mr. Boynton stated this is just asking the Board's permission to spend the earmark for the mobile paramedic pedal program to be implemented at large Town events.

Mr. Rossi moved that the Board authorize the expenditure of these grant funds as presented. Mr. Alessandri seconded. No discussion. VOTE: 5-0-0.

Approval: Common Victualler License - Chipotle Mexican Grill #4222 d/b/a Chipotle Mexican Grill

The Board reviewed the (1) application, and (2) status of departmental approvals.

Mr. Ferrell stated that he is responsible for 58 Chipotles and Mr. Lopez is the General Manager of the Medway location. Mr. Ferrell said the goal is to open on Friday. Mr. Crowley asked if this is a franchise. Mr. Ferrell stated it is a corporate store. Mr. Alessandri asked if all department approvals have been received. Ms. Langley noted that she is just waiting on the Building Department. Mr. Crowley asked if they had a difficult time getting staff. Mr. Lopez confirmed stating that they increased the salary in order to hire enough staff.

Mr. Alessandri moved that the Board approve the application for the common victualler license conditioned upon the receipt of all necessary documentation, payment, and departmental approvals. Ms. White seconded. No discussion. VOTE: 5-0-0.

Approval: Contract with Denis L. Maher for the Village Street Well Replacement Project - \$135,000
The Board reviewed the (1) memo from Peter Pelletier, and (2) contract.

Mr. Pelletier stated we have worked with this company several times. They completed the Oakland Well replacement, have been great to work with and have great references. Mr. Pelletier stated this is for redundancy at all well sites. Mr. Crowley asked who the consultant was that we used. Mr. Pelletier stated it was Haley and Ward. Mr. Crowley asked about the funding and if this is the last piece of the bonding. Mr. Boynton stated there is one more piece. Funds need to be repurposed to complete the Oakland Street pumphouse and the well head building at Village Street. Mr. Crowley asked Mr. Boynton if he can provide the Board with a recap of all of the warrant articles, where we are at, and if we can anticipate a surplus. Mr. Pelletier stated that he will provide that to the Board at their next meeting in January. Mr. Boynton stated that there should be a surplus of funds. He stated we know that addressing Per- and Polyfluorinated Substances (PFAS) will be coming down the line, but he still anticipates a surplus. Mr. Alessandri asked if we have a cap at the \$135,000 as there was a \$30,000 difference between the two bidders. Mr. Pelletier confirmed stating that we had the same thing when we bid out the Oakland well project and it was the same two companies.

Mr. Alessandri moved that the Board approve and authorize the Chair to execute the contract with Denis L. Maher as presented. Ms. White seconded. No discussion. VOTE: 5-0-0.

Mr. Trindade reported on his tour of the water treatment facility noting the area that was built to deal with PFAS in the future. He noted that we have a lot of contingency funds left and stated that the committee would like to go above and beyond the planned landscaping to lessen the impact on the neighbors. Mr. Boynton stated his agreement. Mr. Trindade stated that he would like to put the waterfront area back to its natural state as well. Mr. Rossi asked if the project is still on schedule. Mr. Pelletier stated that we are a little ahead of schedule and will begin to test treating water in January. Mr. Crowley asked if we are still on track for June. Mr. Pelletier confirmed. Mr. Trindade stated that there is a plan to do a video to explain how the treatment plant works for the benefit of the residents.

Approval: Contract with Finbarr Mechanical for HVAC Services – Not to Exceed \$100,000
The Board reviewed the (1) memo from Peter Pelletier, (2) bid results, and (3) contract.

Mr. Pelletier stated Finbarr was the lowest bidder and had great references. He noted we need help on the HVAC systems as there are many different systems throughout the Town buildings. Mr. Crowley asked if this is first time that we went out for these services. Mr. Pelletier confirmed.

Mr. Alessandri moved that the Board approve and authorize the Chair to execute the contract with Finbarr Mechanical as presented. Ms. White seconded. No discussion. VOTE: 5-0-0.

Approval: Contract with Contract with Community Impact, Inc. for Regional Substance Navigation Program and Family Services Unit - \$26,230

The Board reviewed the (1) memo from Derek Kwok, and (2) contract.

Mr. Kwok stated these contracts will be using the state opioid settlement funds. This group will be working with our Police Department to connect overdose victims with services. Mr. Kwok reported that the Police Chief stated they have worked with them in the past. Mr. Alessandri asked if these funds are just for this year. Mr. Kwok confirmed. Mr. Crowley asked if there will be a separate account setup for these funds and what happens with leftover funds. Mr. Kwok confirmed that these funds will have a separate account, will remain in that account, and can continue to be utilized. Mr. Kwok explained the constitution of the group that met to determine the use of these funds. Mr. Boynton noted that these funds are only available for two years therefore they did not want to create something that could not be funded for an extended period of time.

Mr. Alessandri moved that the Board vote to approve and authorize the Chair to execute the contract with Community Impact, Inc. as presented. Ms. White seconded. No discussion. VOTE: 5-0-0.

Approval: Contract with Massachusetts Clubhouse Coalition for a Dual Recovery Pilot Program - \$10,000

The Board reviewed the (1) memo from Derek Kwok, and (2) contract.

Mr. Kwok stated they are proposing bringing this program to Medway for both substance abuse and mental health.

Mr. Alessandri moved that the Board vote to approve and authorize the Chair to execute the contract with the Massachusetts Clubhouse Coalition conditioned upon the receipt of all necessary documentation. Ms. White seconded. No discussion. VOTE: 5-0-0.

Approval: Contract with SAFE Coalition for Prevention, Education, Recovery, and Treatment Campaigns - \$16,000

The Board reviewed the (1) memo from Derek Kwok, and (2) contract.

Mr. Kwok stated this is based out of Franklin and will provide a prevention and outreach program with free transportation to these programs as well as recovery and treatment programs. Mr. Kwok noted that there will be opioid funds available for the next 15 years and that the amount gradually decreases each subsequent year. Mr. Crowley asked if there was a state formula. Mr. Kwok confirmed. Mr. Alessandri asked if the state has received the funds from the settlement or are we waiting on funds from bankrupted companies. Mr. Kwok stated that he does not know about what the state has received noting that we have received about \$40,000. Mr. Rossi asked about the number of residents needing these services. Mr. Kwok stated that the Police receive one to two calls per month.

Mr. Alessandri moved that the Board vote to approve and authorize the Chair to execute the contract with the SAFE Coalition conditioned upon the receipt of all necessary documentation. Ms. White seconded. No discussion. VOTE: 5-0-0.

Action Items from Previous Meeting

The Board reviewed the action items dated October 23, 2023.

Unaccounted for water loss status report & CRPCD Volume Report: Mr. Crowley asked that the Town Manager remind the Water Superintendent he is scheduled to present this information next month.

Town Manager's Report

There were no items for the Board to review.

Additional Highway Funds – Fair Share Program - \$214,462: Mr. Boynton stated that we received a letter today that Medway will be receiving an additional \$214,462 from the millionaire's tax which is a new formula from the State. This will go toward road and sidewalk infrastructure. Mr. Alessandri asked if this can be used for the High School Road culvert. Mr. Boynton stated that would be possible.

VFW Update: Mr. Boynton stated he met with members of the VFW along with Mr. Crowley. Their lease runs through 2024 but the Board will need to take some action on the future of this property.

Police Promotions Update: Mr. Boynton shared the police promotion process noting that we have two sergeant candidates. Will White will be promoted to sergeant next month and Lauren Swarthout will be the first female in a supervisory position in the Medway Police Department.

Holiday Week Schedule: Mr. Boynton stated that the Town Hall holiday week schedule is as follows:

- Friday, December 22 – Offices Closed
- Monday, December 25 - Offices Closed
- Monday, January 1 – Offices Closed

Town Manager Out of Office: Mr. Boynton stated he will be out of the office as follows:

- Thursday, December 21
- Tuesday, December 26
- Wednesday, December 27

NEXT Select Board Meeting – January 2, 2024

Select Board's Reports

There were no items for the Board to review.

Ms. White stated the Fire department came right away and pumped out her mother's flooded basement and commended them on their prompt and efficient response.

Mr. Crowley reported that the boys basketball team's record is 2-0 and, the boys hockey team won their first game, and the girls basketball team's record is 3-0.

At 7:42PM, Mr. Alessandri moved that the Board enter Executive Session for Reason Exemption 3: To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares [Collective Bargaining], with no intention of returning to open session. Ms. White seconded. It was voted by roll call: Alessandri aye; Crowley aye; Rossi aye; Trindade aye; White aye. VOTE: 5-0-0.

Respectfully submitted,
Liz Langley
Executive Assistant
Town Manager's Office

AGENDA ITEM

#5

**Vote: Institute a Town-wide 25 MPH
Speed Limit Unless Otherwise Posted**

Associated back up materials attached:

- *Memo from Police Chief William Kingsbury*

Proposed Motion:

I move that the Board vote to institute a town-wide 25 MPH speed limit unless otherwise posted.



Medway Police Department

315 Village Street
Medway, MA 02053

Phone: 508-533-3212
Fax: 508-533-3216
Emergency: 911

William H. Kingsbury
Chief of Police

December 14, 2023

Glen Trindade
Chairman
Medway Select Board

Sir,

This is a request for the Board to take a formal authorization vote to accept the provisions of M.G.L. Chapter 90 § 17C which creates a townwide business & residential speed limit of 25 Mile Per Hour unless otherwise posted. The Board previously voted to include the proposal on the Fall 2023 Special Town Meeting Warrant where it was voted on and approved by the body. A formal vote of authorization by the board would allow the new speed limit to take effect after notification to the MassDOT.

Respectfully,

A handwritten signature in cursive script, reading "William H. Kingsbury".

William Kingsbury
Chief of Police
Medway Police Department

AGENDA ITEM

#6

Presentation: Fiscal Year (FY) 2023 Financial Statements by Roselli, Clark, & Associates

Associated back up materials attached:

- *Letter from Roselli, Clark, & Assoc.*
- *FY23 financial statements*



ROSELLI, CLARK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

500 West Cummings Park
Suite 4900
Woburn, MA 01801

Telephone: (781) 933-0073

www.roselliclark.com

November 7, 2023

Town Administrator and Select Board
Town of Medway, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Medway, Massachusetts (the "Town") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note II to the financial statements. No new accounting policies were adopted that had a material effect on the Town and the application of existing policies was not changed during fiscal year 2023. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

- Net pension liability, which is actuarially-determined at the regional retirement system level. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- OPEB liability, which is actuarially determined. We evaluated the key factors and assumptions used to develop the total OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements pertained to the estimates described above and can be found in the notes to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison, pension and OPEB schedules, which are required supplementary information (“RSI”) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Town Administrator, Select Board and other management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Roselli, Clark & Associates". The signature is written in dark ink and is positioned above the printed name of the firm.

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF MEDWAY, MASSACHUSETTS

Basic Financial Statements
and
Additional Information

Year Ended June 30, 2023



TOWN OF MEDWAY, MASSACHUSETTS

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INDEPENDENT AUDITORS' REPORT

Honorable Select Board
Town of Medway, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Medway, Massachusetts (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the Required Supplementary Information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2023 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
October 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of Medway, Massachusetts (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information.

Financial Highlights

- The Town's assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by nearly \$132.9 million (total net position) at June 30, 2023. The Town's total net position increased by approximately \$12.4 million in fiscal year 2023.
- The net position in governmental activities increased over \$7.6 million in fiscal year 2023, while the net position in business-type activities increased over \$4.8 million in fiscal year 2023.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities. This deficit approached \$23.8 million at June 30, 2023. This deficit is due primarily to the recording of liabilities associated with the net OPEB and pension liabilities, which totaled over \$54.8 million at June 30, 2023 in the aggregate. These liabilities are applied to the Town's unrestricted net position and represent actuarial estimates of future postemployment benefits payable by the Town for retiree medical insurance and pensions.
- As of the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance surplus of approximately \$40.9 million, which was approximately \$4.7 million higher than the prior year.
- Of the ending fund balance in the governmental funds at June 30, 2023, approximately \$11.9 million is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At June 30, 2023, unassigned fund balance for the general fund represented nearly 18% percent of total fiscal year 2023 general fund expenditures.
- The Town's total combined long-term debt in its governmental activities and business-type activities increased approximately \$19.7 million in fiscal year 2023. The Town issued over \$18.7 million in general obligation bonds together with bond premiums in fiscal year 2023.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town’s finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town’s assets and deferred outflows of resources and its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation pay).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, education, health and human services, culture and recreation, fringe benefits and debt service. The business-type activities of the Town include sewer, water and solid waste operations.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact.
- Restricted – amounts constrained by external parties, constitutional provision, or enabling legislation.
- Committed – amounts constrained by the Town using its highest level of decision-making authority.
- Assigned – amounts a government intends to use for a particular purpose.
- Unassigned – amounts that are not constrained at all will be reported in the general fund of in other major governmental funds if negative.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Reconciliations are provided in the basic financial statements to help the reader understand the differences.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community preservation fund and capital projects fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes in this report.

Proprietary Funds – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town utilizes the proprietary funds to report activities of its enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer, water and solid waste activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees as well as a budget to actual comparison for the current year's general fund operations.

Government-Wide Financial Analysis

The condensed comparative statements of net position for the two most recent years are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current and other assets	\$ 47,085,797	\$ 45,558,394	\$ 22,331,453	\$ 8,825,928	\$ 69,417,250	\$ 54,384,322
Capital assets, net	<u>135,536,827</u>	<u>130,979,219</u>	<u>50,563,201</u>	<u>37,852,618</u>	<u>186,100,028</u>	<u>168,831,837</u>
Total Assets	<u>182,622,624</u>	<u>176,537,613</u>	<u>72,894,654</u>	<u>46,678,546</u>	<u>255,517,278</u>	<u>223,216,159</u>
Deferred Outflows of Resources	<u>12,515,347</u>	<u>10,987,939</u>	<u>495,142</u>	<u>345,725</u>	<u>13,010,489</u>	<u>11,333,664</u>
Liabilities:						
Long-term liabilities	86,161,696	75,164,920	32,866,396	15,561,550	119,028,092	90,726,470
Other liabilities	<u>8,038,889</u>	<u>11,105,992</u>	<u>6,283,244</u>	<u>1,667,495</u>	<u>14,322,133</u>	<u>12,773,487</u>
Total Liabilities	<u>94,200,585</u>	<u>86,270,912</u>	<u>39,149,640</u>	<u>17,229,045</u>	<u>133,350,225</u>	<u>103,499,957</u>
Deferred Inflows of Resources	<u>2,227,306</u>	<u>10,145,727</u>	<u>50,570</u>	<u>420,942</u>	<u>2,277,876</u>	<u>10,566,669</u>
Net Position:						
Net investment in capital assets	101,302,345	98,411,604	26,150,173	23,013,542	127,452,518	121,425,146
Restricted	21,168,750	20,147,734	-	-	21,168,750	20,147,734
Unrestricted	<u>(23,761,015)</u>	<u>(27,450,425)</u>	<u>8,039,413</u>	<u>6,360,742</u>	<u>(15,721,602)</u>	<u>(21,089,683)</u>
Total Net Position	<u>\$ 98,710,080</u>	<u>\$ 91,108,913</u>	<u>\$ 34,189,586</u>	<u>\$ 29,374,284</u>	<u>\$ 132,899,666</u>	<u>\$ 120,483,197</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's total net position increased over \$12.4 million in fiscal year 2023. The net position in governmental activities increased over \$7.6 million, while the net position in business-type activities increased over \$4.8 million.

The largest portion the Town's overall net position (approximately \$127.5 million) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional significant portion of the Town's total net position (approximately \$21.2 million) represents resources that are subject to external restrictions on how they may be used.

The remaining category represents unrestricted net position, which currently has a deficit balance of approximately \$15.7 million. This deficit balance is primarily the result of the reporting of nearly \$56.9 million in net OPEB and pension liabilities in the Town's governmental and business-type activities. The Town expects that its deficit in unrestricted net position will continue to increase for the foreseeable future primarily due to OPEB.

The condensed comparative statements of activities for the two most recent years are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 7,525,532	\$ 6,946,678	\$ 8,323,093	\$ 8,007,687	\$ 15,848,625	\$ 14,954,365
Operating grants and contributions	22,227,142	20,901,012	-	-	22,227,142	20,901,012
Capital grants and contributions	997,243	619,494	4,300,421	-	5,297,664	619,494
General revenues:						
Property taxes	48,595,219	45,945,192	-	-	48,595,219	45,945,192
Excise taxes	2,775,938	2,354,073	-	-	2,775,938	2,354,073
Intergovernmental	1,415,321	1,340,851	-	-	1,415,321	1,340,851
Other	1,152,606	274,484	1,982	-	1,154,588	274,484
Total Revenues	<u>84,689,001</u>	<u>78,381,784</u>	<u>12,625,496</u>	<u>8,007,687</u>	<u>97,314,497</u>	<u>86,389,471</u>
Expenses:						
General government	6,775,126	5,435,837	-	-	6,775,126	5,435,837
Public safety	10,103,201	8,502,861	-	-	10,103,201	8,502,861
Education	51,705,651	46,565,200	-	-	51,705,651	46,565,200
Public works	4,711,493	5,227,130	-	-	4,711,493	5,227,130
Health and human services	750,681	783,685	-	-	750,681	783,685
Culture and recreation	2,424,968	1,848,310	-	-	2,424,968	1,848,310
Interest expense	801,610	864,122	-	-	801,610	864,122
Utilities	-	-	7,625,298	6,738,990	7,625,298	6,738,990
Total Expenses	<u>77,272,730</u>	<u>69,227,145</u>	<u>7,625,298</u>	<u>6,738,990</u>	<u>84,898,028</u>	<u>75,966,135</u>
Change in Net Position Before Transfers	7,416,271	9,154,639	5,000,198	1,268,697	12,416,469	10,423,336
Transfers	<u>184,896</u>	<u>359,313</u>	<u>(184,896)</u>	<u>(359,313)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>7,601,167</u>	<u>9,513,952</u>	<u>4,815,302</u>	<u>909,384</u>	<u>12,416,469</u>	<u>10,423,336</u>
Net Position:						
Beginning of year	<u>91,108,913</u>	<u>81,594,961</u>	<u>29,374,284</u>	<u>28,464,900</u>	<u>120,483,197</u>	<u>110,059,861</u>
End of year	<u>\$ 98,710,080</u>	<u>\$ 91,108,913</u>	<u>\$ 34,189,586</u>	<u>\$ 29,374,284</u>	<u>\$ 132,899,666</u>	<u>\$ 120,483,197</u>

Governmental Activities – Total revenues in fiscal year 2023 in the Town’s governmental activities increased over \$6.3 million, or 8.0%, from the prior fiscal year. This increase was due primarily to the following:

- a nearly \$2.7 million increase in property taxes;
- an over \$1.3 million increase in operating grants and contributions; and
- an over \$0.9 million increase in investment income.

The Town’s largest revenue source is property taxes, which represented approximately 57% and 59% of total fiscal year 2023 and 2022 revenues, respectively. Property taxes increased nearly \$2.7 million, or 5.8%, in fiscal year 2023 due to normal property tax increases, significant new growth and a significant reduction in excess levy capacity year-over-year. Operating grants and contributions represented approximately 26% and 27% of total fiscal year 2023 and 2022 revenues, respectively. Operating grants and contributions increased over \$1.3 million in fiscal year 2023. No other revenue sources were greater than 10% of total revenues in fiscal years 2023 or 2022.

Education represents the largest expense category for the Town. In total, education expenses represented approximately 67% of total fiscal year 2023 and 2022 expenses. Public safety expenses represented approximately 13% and 12%, respectively, of total fiscal year 2023 and 2022 expenses. No other expense types were greater than 10% of total expenses in fiscal years 2023 or 2022.

Business-Type Activities – Total business-type activities revenues increased over \$4.6 million in fiscal year 2023, which was due primarily to the one-time receipt of over \$4.3 million in ARPA and related capital awards. Charges for services increased approximately \$0.3 million year-over-year. Expenses in the business-type activities increased nearly \$0.9 million in fiscal year 2023, primarily as the result of higher noncapitalizable expenses.

Government Funds Financial Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Town’s governmental funds balance sheet reported a combined ending fund balance surplus of over \$40.9 million, which was approximately \$4.7 million greater than the prior year. The Town reported positive changes in fund balances in each of its reported major governmental funds in fiscal year 2023 except its capital projects fund, which reported a decrease in fund balance of over \$0.4 million. Of the ending fund balances, approximately \$11.9 million is available for spending at the government’s discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund exceeded \$12.1 million, while total general fund balance approached \$26.8 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at year end represents nearly 18% of total fiscal year 2023 general fund expenditures, while total fund balance represents nearly 40% of that same amount.

The community preservation fund reported a fund balance of over \$4.6 million at June 30, 2023, which was an increase of over \$0.5 million from the prior year.

The capital projects fund expended nearly \$5.1 million, the majority of which was used to purchase parcels of land. The Town completed the sale of nearly \$5.7 million in general obligation bonds together with bond premiums in fiscal year 2023, which are reported in the capital projects fund.

The nonmajor governmental funds reported a modest decrease in fund balance of over \$0.3 million in fiscal year 2023, which is primarily the function of timing of receipts versus expenditures.

Proprietary Funds – The Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary Fund – The Town’s fiduciary fund is comprised of its OPEB trust fund and private purpose trust funds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were not significant. A reconciliation of these differences is found in the required supplementary information.

Capital Asset and Debt Administration

Capital Assets – The Town’s investment in capital assets, which includes land, buildings, infrastructure, machinery and equipment, for its governmental and business-type activities as of June 30, 2023 totaled approximately \$186.1 million, net of accumulated depreciation. This is an increase of nearly \$17.3 million from the prior year as fiscal year 2023 capital additions (particularly in the business-type activities) exceeded depreciation expense.

Additional information on the Town capital assets can be found in the notes to the financial statements.

Long-Term Debt – The Town’s total general obligation bond and notes payable debt increased approximately \$19.7 million in fiscal year 2023 to approximately \$67.3 million at June 30, 2023. The Town issued over \$18.7 million in general obligation bonds together with bond premiums in fiscal year 2023.

The Town also holds a proportionate share of debt of other governmental units that provide services within the Town’s boundaries. Debt service from such arrangements is assessed annually to the Town. Additional information on the Town’s debt can be found in the notes to the financial statements.

In connection with the Town’s most recent general obligation bond issuance, Standard & Poor’s Financial Services affirmed the Town’s AAA credit rating on its long-term debt, which is the highest credit rating for long-term debt issued by this agency.

Economic Factors and Next Year’s Budgets

- Net state aid for fiscal year 2024 is expected to be approximately \$12.0 million.
- The Town enters fiscal year 2024 with the following financial reserves:
 - Certified free cash of nearly \$4.7 million;
 - General stabilization funds of approximately \$4.5 million; and
 - Capital stabilization funds of approximately \$8.3 million.
- Inflation is expected to continue affecting the Town in a number of areas including increased capital acquisition costs and operating expenses.
- The Town’s real estate tax base is made up predominantly of residential taxes, which in setting the 2023 tax rate was approximately 78% of the entire property tax levy. The Town also relies to a moderate degree on its commercial, industrial and personal property real estate tax base which comprise the remainder of the levy. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town’s ability to increase taxes in any one year by more than 2 ½% of the previous year’s tax levy.
- Property values within the Town have been steadily increasing. Many neighborhoods’ property values are at all-time highs.

The above items were considered when the Town approved its fiscal year 2024 budget in its May 2023 Annual Town Meeting. The Town expects to set its fiscal year 2024 property tax rate in November 2023.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Director, Town of Medway, Massachusetts, 155 Village Street, Medway, Massachusetts 02053.

TOWN OF MEDWAY, MASSACHUSETTS

STATEMENT OF NET POSITION JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 35,905,469	\$ 19,885,448	\$ 55,790,917
Investments	8,222,753	-	8,222,753
Receivables, net of allowances:			
Property taxes	1,755,497	-	1,755,497
Excise taxes	136,671	-	136,671
Departmental, user charges and other	387,909	2,446,005	2,833,914
Intergovernmental	677,498	-	677,498
Land	30,692,192	614,836	31,307,028
Construction in-progress	98,639	20,340,242	20,438,881
Depreciable capital assets, net	104,745,996	29,608,123	134,354,119
Total Assets	182,622,624	72,894,654	255,517,278
Deferred Outflows of Resources:			
Other postemployment benefits	7,086,783	160,898	7,247,681
Pensions	5,428,564	334,244	5,762,808
Total Deferred Outflows of Resources	12,515,347	495,142	13,010,489
			(continued)

TOWN OF MEDWAY, MASSACHUSETTS

STATEMENT OF NET POSITION JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Warrants and accounts payable	\$ 1,322,979	\$ 3,335,429	\$ 4,658,408
Accrued payroll and withholdings	1,137,111	45,345	1,182,456
Retainage payable	-	549,560	549,560
Accrued interest	307,968	460,684	768,652
Other liabilities	59,608	-	59,608
Deposits and escrows	1,353,256	-	1,353,256
Short-term notes payable	95,265	-	95,265
Noncurrent liabilities:			
Due within one year	3,762,702	1,892,226	5,654,928
Due in more than one year	86,161,696	32,866,396	119,028,092
Total Liabilities	<u>94,200,585</u>	<u>39,149,640</u>	<u>133,350,225</u>
Deferred Inflows of Resources:			
Other postemployment benefits	<u>2,227,306</u>	<u>50,570</u>	<u>2,277,876</u>
Total Deferred Inflows of Resources	<u>2,227,306</u>	<u>50,570</u>	<u>2,277,876</u>
Net Position:			
Net investment in capital assets	101,302,345	26,150,173	127,452,518
Restricted for:			
Nonexpendable permanent funds	110,869	-	110,869
Expendable perpetual funds	625,623	-	625,623
Community preservation	4,629,339	-	4,629,339
Gifts and donations	2,313,797	-	2,313,797
Receipts reserved for appropriation	1,767,132	-	1,767,132
Other purposes	11,721,990	-	11,721,990
Unrestricted	<u>(23,761,015)</u>	<u>8,039,413</u>	<u>(15,721,602)</u>
Total Net Position	<u>\$ 98,710,080</u>	<u>\$ 34,189,586</u>	<u>\$ 132,899,666</u> <i>(concluded)</i>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 6,775,126	\$ 696,757	\$ 1,044,412	\$ -	\$ (5,033,957)		\$ (5,033,957)
Public safety	10,103,201	2,514,138	648,067	-	(6,940,996)		(6,940,996)
Education	51,705,651	2,775,493	19,614,651	-	(29,315,507)		(29,315,507)
Public works	4,711,493	814,526	267,621	997,243	(2,632,103)		(2,632,103)
Health and human services	750,681	43,097	487,934	-	(219,650)		(219,650)
Culture and recreation	2,424,968	681,521	164,457	-	(1,578,990)		(1,578,990)
Interest expense	801,610	-	-	-	(801,610)		(801,610)
Total Governmental Activities	<u>77,272,730</u>	<u>7,525,532</u>	<u>22,227,142</u>	<u>997,243</u>	<u>(46,522,813)</u>		<u>(46,522,813)</u>
Business-Type Activities:							
Sewer	2,106,779	2,087,568	-	-		\$ (19,211)	(19,211)
Water	3,683,587	4,676,404	-	4,300,421		5,293,238	5,293,238
Solid waste	<u>1,834,932</u>	<u>1,559,121</u>	<u>-</u>	<u>-</u>		<u>(275,811)</u>	<u>(275,811)</u>
Total Business-Type Activities	<u>7,625,298</u>	<u>8,323,093</u>	<u>-</u>	<u>4,300,421</u>		<u>4,998,216</u>	<u>4,998,216</u>
Total Primary Government	<u>\$ 84,898,028</u>	<u>\$ 15,848,625</u>	<u>\$ 22,227,142</u>	<u>\$ 5,297,664</u>		<u>4,998,216</u>	<u>(41,524,597)</u>
General Revenues:							
Property taxes					48,595,219	-	48,595,219
Motor vehicle and other excise taxes					2,775,938	-	2,775,938
Grants and contributions not restricted to to specific programs					1,415,321	-	1,415,321
Penalties and interest on taxes					99,801	-	99,801
Unrestricted investment income					1,052,805	1,982	1,054,787
Transfers, net					<u>184,896</u>	<u>(184,896)</u>	<u>-</u>
Total General Revenues and Transfers					<u>54,123,980</u>	<u>(182,914)</u>	<u>53,941,066</u>
Change in Net Position					<u>7,601,167</u>	<u>4,815,302</u>	<u>12,416,469</u>
Net Position:							
Beginning of year					<u>91,108,913</u>	<u>29,374,284</u>	<u>120,483,197</u>
End of year					<u>\$ 98,710,080</u>	<u>\$ 34,189,586</u>	<u>\$ 132,899,666</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General Fund	Community Preservation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets:					
Cash and cash equivalents	\$ 21,635,314	\$ 4,629,380	\$ 449,966	\$ 9,190,809	\$ 35,905,469
Investments	8,222,753	-	-	-	8,222,753
Receivables, net of allowances:					
Property taxes	1,742,412	13,085	-	-	1,755,497
Excise taxes	136,671	-	-	-	136,671
Departmental, user charges and other	39,974	-	-	347,935	387,909
Intergovernmental	-	-	-	677,498	677,498
Total Assets	31,777,124	4,642,465	449,966	10,216,242	47,085,797
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 31,777,124	\$ 4,642,465	\$ 449,966	\$ 10,216,242	\$ 47,085,797
Liabilities:					
Warrants and accounts payable	\$ 713,800	\$ 41	\$ 4,007	\$ 605,131	\$ 1,322,979
Accrued payroll and withholdings	992,821	-	-	144,290	1,137,111
Other liabilities	59,608	-	-	-	59,608
Deposits and escrows	1,353,256	-	-	-	1,353,256
Short-term notes payable	-	-	-	95,265	95,265
Total Liabilities	3,119,485	41	4,007	844,686	3,968,219
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	1,742,412	13,085	-	-	1,755,497
Unavailable revenues - other	141,645	-	-	271,397	413,042
Total Deferred Inflows of Resources	1,884,057	13,085	-	271,397	2,168,539
Fund Balances:					
Nonspendable	-	-	-	110,869	110,869
Restricted	338,663	4,629,339	455,293	9,163,129	14,586,424
Committed	11,076,766	-	-	-	11,076,766
Assigned	3,241,128	-	-	-	3,241,128
Unassigned	12,117,025	-	(9,334)	(173,839)	11,933,852
Total Fund Balances	26,773,582	4,629,339	445,959	9,100,159	40,949,039
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,777,124	\$ 4,642,465	\$ 449,966	\$ 10,216,242	\$ 47,085,797

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION AS OF
JUNE 30, 2023**

Total Governmental Fund Balances		\$ 40,949,039
Capital assets used in governmental activities in the statement of net position are not financial resources and, therefore, are not reported in the funds.		135,536,827
Certain receivables and revenues are deferred in the governmental funds as they are not current financial resources. These revenues are accrued under the economic resources basis of accounting.		2,168,539
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the funds:		
Deferred outflows of resources - other postemployment benefits	7,086,783	
Deferred outflows of resources - pensions	5,428,564	
Deferred inflows of resources - other postemployment benefits	<u>(2,227,306)</u>	
Net effect of reporting deferred outflows and inflows of resources		10,288,041
Interest is accrued on outstanding long-term debt in the statement of net position but not in the funds until due.		(307,968)
Long-term liabilities not currently due and payable are reported in the statement of net position and not in the funds:		
Net other postemployment benefits liability	(34,008,581)	
Net pension liability	(20,811,667)	
Compensated absences	(427,717)	
Bonds and notes payable	<u>(34,676,433)</u>	
Net effect of reporting long-term liabilities		<u>(89,924,398)</u>
Net Position — Governmental Activities		<u>\$ 98,710,080</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Community Preservation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes, net of tax refunds	\$ 47,354,669	\$ 1,089,718	\$ -	\$ -	\$ 48,444,387
Intergovernmental	17,103,535	519,837	-	5,977,301	23,600,673
Motor vehicle and other excise taxes	2,731,901	-	-	-	2,731,901
Licenses and permits	764,250	-	-	-	764,250
Penalties and interest on taxes	97,824	1,660	-	317	99,801
Fines and forfeitures	7,555	-	-	-	7,555
Departmental and other revenues	1,238,520	-	-	5,534,063	6,772,583
Contributions and donations	-	-	-	1,039,033	1,039,033
Investment income	983,754	57,229	-	11,822	1,052,805
Total Revenues	<u>70,282,008</u>	<u>1,668,444</u>	<u>-</u>	<u>12,562,536</u>	<u>84,512,988</u>
Expenditures:					
Current:					
General government	3,533,800	704,031	4,914,284	1,065,693	10,217,808
Public safety	6,941,795	-	14,308	963,164	7,919,267
Education	36,200,905	-	-	7,490,188	43,691,093
Public works	4,956,031	-	141,912	1,286,593	6,384,536
Health and human services	590,491	-	-	230,276	820,767
Culture and recreation	828,999	-	24,373	675,462	1,528,834
Pension and fringe benefits	10,097,238	-	-	-	10,097,238
State and county charges	800,639	-	-	-	800,639
Debt service:					
Principal	2,923,532	345,000	-	-	3,268,532
Interest	869,709	73,725	-	-	943,434
Total Expenditures	<u>67,743,139</u>	<u>1,122,756</u>	<u>5,094,877</u>	<u>11,711,376</u>	<u>85,672,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,538,869</u>	<u>545,688</u>	<u>(5,094,877)</u>	<u>851,160</u>	<u>(1,159,160)</u>
Other Financing Sources (Uses):					
Issuance of general obligation bonds	-	-	5,150,000	-	5,150,000
Premiums from issuance of bonds	-	-	505,000	-	505,000
Transfers in	1,342,817	-	-	2,824	1,345,641
Transfers out	(2,824)	-	-	(1,157,921)	(1,160,745)
Total Other Financing Sources (Uses)	<u>1,339,993</u>	<u>-</u>	<u>5,655,000</u>	<u>(1,155,097)</u>	<u>5,839,896</u>
Change in Fund Balances	3,878,862	545,688	560,123	(303,937)	4,680,736
Fund Balances:					
Beginning of the year	22,894,720	4,083,651	(114,164)	9,404,096	36,268,303
End of the year	<u>\$ 26,773,582</u>	<u>\$ 4,629,339</u>	<u>\$ 445,959</u>	<u>\$ 9,100,159</u>	<u>\$ 40,949,039</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Change in Fund Balances — Total Governmental Funds \$ 4,680,736

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Capital asset activity in the current fiscal year included:

Capital asset additions	10,013,879	
Depreciation expense	<u>(5,460,771)</u>	
Net effect of reporting capital activity		4,553,108

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 180,513

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. Differences in the treatment of long-term debt transactions in the current fiscal year included:

Issuance of long-term debt	(5,150,000)	
Premiums received on long-term borrowings	(505,000)	
Repayments of long-term debt	3,268,532	
Amortization of bond premiums	<u>162,667</u>	
Net effect of reporting long-term debt activity		(2,223,801)

Some revenues/expenses reported in the statement of activities do not provide/require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds:

Net other postemployment benefits liability	174,808	
Net pension liability	297,254	
Compensated absences	(40,608)	
Accrued interest	<u>(20,843)</u>	
Net effect of reporting long-term liabilities		<u>410,611</u>

Change in Net Position — Governmental Activities \$ 7,601,167

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 1,603,659	\$ 17,205,689	\$ 1,076,100	\$ 19,885,448
Receivables, net of allowances:				
User charges receivable	564,998	1,280,127	301,972	2,147,097
Betterments	28,483	-	-	28,483
Total Current Assets	2,197,140	18,485,816	1,378,072	22,061,028
Noncurrent Assets:				
Betterments	270,425	-	-	270,425
Land	-	614,836	-	614,836
Construction in-progress	-	20,340,242	-	20,340,242
Depreciable capital assets, net	9,831,278	19,776,845	-	29,608,123
Total Noncurrent Assets	10,101,703	40,731,923	-	50,833,626
Total Assets	12,298,843	59,217,739	1,378,072	72,894,654
Deferred Outflows of Resources:				
Other postemployment benefits	13,046	126,834	21,018	160,898
Pensions	69,154	224,750	40,340	334,244
Total Deferred Outflows of Resources	82,200	351,584	61,358	495,142

(continued)

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Liabilities:				
Current Liabilities:				
Warrants and accounts payable	\$ 1,231	\$ 3,214,430	\$ 119,768	\$ 3,335,429
Accrued payroll and withholdings	8,893	30,746	5,706	45,345
Retainage payable	-	549,560	-	549,560
Accrued interest	9,466	451,218	-	460,684
Compensated absences	1,409	10,137	825	12,371
Current portion of long-term debt	150,000	1,729,855	-	1,879,855
Total Current Liabilities	170,999	5,985,946	126,299	6,283,244
Noncurrent liabilities:				
Compensated absences	4,227	30,409	2,475	37,111
Net other postemployment benefits liability	63,002	607,051	101,368	771,421
Net pension liability	265,117	861,630	154,651	1,281,398
Long-term debt	800,000	29,976,466	-	30,776,466
Total Noncurrent Liabilities	1,132,346	31,475,556	258,494	32,866,396
Total Liabilities	1,303,345	37,461,502	384,793	39,149,640
Deferred Inflows of Resources:				
Other postemployment benefits	4,101	39,863	6,606	50,570
Total Deferred Inflows of Resources	4,101	39,863	6,606	50,570
Net Position:				
Net investment in capital assets	8,881,278	17,268,895	-	26,150,173
Unrestricted	2,192,319	4,799,063	1,048,031	8,039,413
Total Net Position	\$ 11,073,597	\$ 22,067,958	\$ 1,048,031	\$ 34,189,586
				(concluded)

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Operating Revenues:				
Charges for services	\$ 2,062,991	\$ 4,389,452	\$ 1,559,016	\$ 8,011,459
Other operating revenues	24,577	286,952	105	311,634
Total Operating Revenues	2,087,568	4,676,404	1,559,121	8,323,093
Operating Expenses:				
Payroll and personnel costs	360,546	1,047,922	248,591	1,657,059
Operating costs	1,320,570	769,633	1,586,341	3,676,544
Depreciation	388,272	821,023	-	1,209,295
Total Operating Expenses	2,069,388	2,638,578	1,834,932	6,542,898
Operating Income	18,180	2,037,826	(275,811)	1,780,195
Nonoperating Revenues (Expenses):				
Investment income	1,982	-	-	1,982
Interest expense	(37,391)	(1,045,009)	-	(1,082,400)
Total Nonoperating Revenues (Expenses)	(35,409)	(1,045,009)	-	(1,080,418)
Income Before Transfers	(17,229)	992,817	(275,811)	699,777
Capital Contributions and Transfers:				
Intergovernmental capital contributions	-	4,300,421	-	4,300,421
Transfers in	-	300,000	-	300,000
Transfers out	(229,146)	(204,082)	(51,668)	(484,896)
Total Transfers	(229,146)	4,396,339	(51,668)	4,115,525
Change in Net Position	(246,375)	5,389,156	(327,479)	4,815,302
Net Position:				
Beginning of the year	11,319,972	16,678,802	1,375,510	29,374,284
End of the year	\$ 11,073,597	\$ 22,067,958	\$ 1,048,031	\$ 34,189,586

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Cash Flows from Operating Activities:				
Receipts from user charges	\$ 1,999,183	\$ 4,163,644	\$ 1,514,650	\$ 7,677,477
Receipts from other operating revenues	24,577	286,952	105	311,634
Payments to employees	(361,907)	(1,057,398)	(257,259)	(1,676,564)
Payments to vendors	<u>(1,363,702)</u>	<u>2,902,132</u>	<u>(1,588,246)</u>	<u>(49,816)</u>
Net Cash Provided By (Used In) Operating Activities	<u>298,151</u>	<u>6,295,330</u>	<u>(330,750)</u>	<u>6,262,731</u>
Cash Flows from Noncapital Financial Activities:				
Transfers in	-	300,000	-	300,000
Transfers out	<u>(229,146)</u>	<u>(204,082)</u>	<u>(51,668)</u>	<u>(484,896)</u>
Net Cash (Used In) Provided By Noncapital Financing Activities	<u>(229,146)</u>	<u>95,918</u>	<u>(51,668)</u>	<u>(184,896)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from capital grants	-	4,300,421	-	4,300,421
Proceeds from the issuance of long-term debt	-	18,730,000	-	18,730,000
Acquisition and construction of capital assets	-	(13,919,878)	-	(13,919,878)
Principal repayments on long-term debt	(185,000)	(1,093,101)	-	(1,278,101)
Repayments on short-term debt	-	-	-	-
Interest payments	<u>(38,925)</u>	<u>(701,791)</u>	<u>-</u>	<u>(740,716)</u>
Net Cash (Used In) Provided By Capital and Related Financing Activities	<u>(223,925)</u>	<u>7,315,651</u>	<u>-</u>	<u>7,091,726</u>
Cash Flow from Investing Activities:				
Investment income	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>1,982</u>
Net Cash Provided By Investing Activities	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>1,982</u>
Change in Cash and Cash Equivalents	(152,938)	13,706,899	(382,418)	13,171,543
Cash and Cash Equivalents:				
Beginning of the year	<u>1,756,597</u>	<u>3,498,790</u>	<u>1,458,518</u>	<u>6,713,905</u>
End of the year	<u>\$ 1,603,659</u>	<u>\$ 17,205,689</u>	<u>\$ 1,076,100</u>	<u>\$ 19,885,448</u>

(continued)

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities:				
Operating Income	\$ 18,180	\$ 2,037,826	\$ (275,811)	\$ 1,780,195
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:				
Depreciation expense	388,272	821,023	-	1,209,295
Changes in assets, deferred outflows (inflows) of resources and liabilities:				
Receivables and other current assets	(63,808)	(225,808)	(44,366)	(333,982)
Warrants payable and other current liabilities	(43,811)	3,676,195	(464)	3,631,920
Accrued and deferred benefits payable	(682)	(13,906)	(10,109)	(24,697)
Net Cash Provided By Operating Activities	<u>\$ 298,151</u>	<u>\$ 6,295,330</u>	<u>\$ (330,750)</u>	<u>\$ 6,262,731</u>
				(concluded)

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>OPEB Trust</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and cash equivalents	\$ 68,537	\$ 925,859
Investments at fair value:		
Fixed income securities	299,819	-
Equity securities	1,384,257	-
Mutual funds	<u>974,867</u>	<u>-</u>
Total Assets	<u>2,727,480</u>	<u>925,859</u>
Liabilities:		
Warrants and accounts payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted for other postemployment benefits	2,727,480	-
Held in trust for private purposes	<u>-</u>	<u>925,859</u>
Total Net Position	<u>\$ 2,727,480</u>	<u>\$ 925,859</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>OPEB Trust</u>	<u>Private Purpose Trust Funds</u>
Additions:		
Employer contributions	\$ 1,803,215	\$ -
Other contributions	<u>-</u>	<u>26,208</u>
Total contributions	<u>1,803,215</u>	<u>26,208</u>
Net investment income	<u>296,855</u>	<u>7,665</u>
Total Additions	<u>2,100,070</u>	<u>33,873</u>
Deductions:		
Benefits to retirees	1,503,215	-
Scholarships	<u>-</u>	<u>45,700</u>
Total Deductions	<u>1,503,215</u>	<u>45,700</u>
Change in Net Position	596,855	(11,827)
Net Position:		
Beginning of the year	<u>2,130,625</u>	<u>937,686</u>
End of the year	<u>\$ 2,727,480</u>	<u>\$ 925,859</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Town of Medway (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the Town.

A. Reporting Entity

The Town, which was incorporated in 1713, is located on the western edge of Norfolk County and is centrally located between the cities of Boston and Worcester, Massachusetts and Providence, Rhode Island. The Town uses an open town meeting format of government with an elected five-member Select Board and an appointed Town Manager, who oversees the Town’s executive and administrative duties.

The Town provides governmental services for the territory within its boundaries, including education, public safety, public works, health and human services, culture and recreation and general governmental services. Additionally, the Town owns and operates water, sewer and solid waste operations; each of which are funded through user charges and treated as business enterprises in these basic financial statements.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. Pursuant to these criteria there are no component units required to be included in the Town’s basic financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of material interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor governmental funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Major funds must be reported if both of the following criteria are met:

- 1) The total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding element for all governmental and enterprise funds combined.

In addition, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The effect of material interfund activity has been removed from the government-wide financial statements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In the first, monies must be expended for a specific purpose or project before any amounts will be paid; therefore, revenues are recognized as expenditures are incurred. In the second, funds are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth of Massachusetts (the "Commonwealth").

The Town considers property tax revenues to be available if they are both material and collected within sixty days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major governmental funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Community Preservation Fund – is used to account for specific activities related to community preservation: open space, historic preservation and affordable housing purposes.

Capital Project Funds – is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Nonmajor Governmental Funds – consist of other special revenue and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Permanent Funds – are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports its sewer, water and solid waste (a nonmajor fund) operations as major proprietary funds.

Fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity and cannot be used to support the governmental programs. The Town reports its other postemployment benefits (“OPEB”) trust fund and private purpose trust fund as fiduciary funds. The OPEB trust is used to account for funds accumulated by the Town to assist it in its future payment of postemployment benefits to retirees such as medical and life insurance, but specifically excludes pension benefits. The private purpose trust fund is used to account for various trusts established to the benefit of students, individuals, private organizations and other third parties, not the Town.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity

Deposits and Investments – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town reports investments at fair value. When actively quoted observable prices are not available, the Town generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Town’s best estimate of what market participants would use in pricing the investment at the measurement date.

Receivables – Real estate and personal property taxes are assessed on January 1 each year. Bills are sent semiannually with quarterly due dates of August 1, November 1, February 1, and May 1. Interest accrues on delinquent taxes up to the maximum statutory rate per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate taxes and water, sewer and other user fees may be secured through a lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include land, buildings and improvements, machinery and equipment, vehicles and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction in-progress) are depreciated by the Town and the Electric Department on a straight-line-basis. The estimated useful lives of capital assets being depreciated are as follows:

Buildings and improvements	20 – 40 years
Infrastructure	30 – 75 years
Vehicles, machinery and equipment	5 – 10 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Interfund Transfers – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as transfers, net.

Investment Income – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds may be voluntarily assigned to the general fund.

Compensated Absences – It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Long-Term Debt – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Risk Financing – The Town insures for workers' compensation, health, unemployment benefits, casualty, theft and other losses. Uninsured losses are recorded as expenditures when incurred.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources in its government-wide financial statements relative to its net OPEB and pension liabilities, which it expects to amortize into expense over the next five years. The Town does not report deferred outflows of resources in its governmental funds financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources in its government-wide financial statements relative to net OPEB and pension liabilities, which it expects to amortize against expense over the next five years. The Town reports unavailable revenues as deferred inflows of resources in its governmental funds financial statements, which it will recognize as revenues when these items become available.

Net Position – In the government-wide financial statements, net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been restricted for the following:

Nonexpendable perpetual funds represent the endowment portion of donor restricted trusts that support governmental programs.

Expendable perpetual funds represent the spendable portion of donor restricted trusts that support governmental programs.

Community preservation represents funds restricted for open space, historic preservation and affordable housing.

Gifts and donations represent funds restricted for use by donors.

Receipts reserved for appropriation represent special revenue funds that require approval of the governing body for appropriation.

Other purposes represent assets that are restricted by donors or the Town for specific governmental programs and uses, revolving funds and federal and state grants.

Fund Equity – The Town presents fund balances in its governmental funds financial statements using classifications that comprise a hierarchy based primarily on the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

Nonspendable represents amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

Restricted represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision-making authority, which is the Town Meeting action, and can be modified or rescinded through these actions.

Assigned represents amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed.

E. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained and is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as cash and cash equivalents. The deposits and investments of trust funds are held separately from those of other funds.

State laws and regulations require the Town to invest funds only in preapproved investment instruments which, include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements and investments in the Massachusetts Municipal Depository Trust, which is administered by the Treasurer of the Commonwealth. In addition, the statutes impose various limitations on the amount and length of investments and deposits.

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. In practice, the Town deposits its excess cash resources in financial institutions with proven financial strength, capital adequacy and, in many cases, which maintain excess depository insurance for deposits exceeding the \$250,000 Federal Depository Insurance Corporation (the "FDIC") insurance threshold. At June 30, 2023, \$8,504,777 in Town deposits not insured by the FDIC or additional depository insurance.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. All the Town's investments are registered in its name and cannot be pledged or assigned. The Town is not exposed to custodial credit risk on its investments.

Fair Value Measurements: Investments – The following table presents the Town's investments carried at fair value on a recurring basis in at June 30, 2023:

<u>Investments by Fair Value Level</u>	<u>June 30, 2023</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities:				
U.S. Treasury notes	\$ 8,352,926	\$ 8,352,926	\$ -	\$ -
U.S. Government agency obligations	34,957	-	34,957	-
Corporate bonds	134,689	-	134,689	-
Total debt securities	8,522,572	8,352,926	169,646	-
Equity securities	1,384,257	1,384,257	-	-
Mutual funds	974,867	-	974,867	-
Total Investments by Fair Value Level	<u>\$ 10,881,696</u>	<u>\$ 9,737,183</u>	<u>\$ 1,144,513</u>	<u>\$ -</u>

Interest Rate Risk: Investments – This is the risk that changes in interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the more sensitive it is to changes in market interest rates. The following table presents the Town’s investments and maturities at June 30, 2023:

<u>Investments</u>	<u>Fair Value</u>	<u>Time Until Maturity (in years)</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
Debt securities:				
U.S. Government obligations	\$ 8,387,883	\$ 4,208,333	\$ 4,122,268	\$ 57,282
Corporate bonds	<u>134,689</u>	<u>-</u>	<u>134,689</u>	<u>-</u>
Total investments with maturities	<u>8,522,572</u>	<u>\$ 4,208,333</u>	<u>\$ 4,256,957</u>	<u>\$ 57,282</u>
Other investments:				
Equity securities	1,384,257			
Mutual funds	<u>974,867</u>			
Total Investments	<u>\$ 10,881,696</u>			

Credit Risk: Investments – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table summarizes the credit ratings assigned by Moody’s Investors Service for Town investments in fixed income securities at June 30, 2023:

<u>Credit Rating</u>	<u>U.S.</u>	
	<u>Government Obligations</u>	<u>Corporate Bonds</u>
Aaa	\$ 8,387,883	\$ 19,206
Aa2	-	14,197
Aa3	-	86,573
A1	<u>-</u>	<u>14,713</u>
	<u>\$ 8,387,883</u>	<u>\$ 134,689</u>

Concentration of Credit Risk: Investments – The Town’s investment in U.S. Treasury notes represented approximately 77% of its total investments. No other individual investment represented more than 5% of the Town’s total investments at June 30, 2023.

B. Receivables

Receivables as of June 30, 2023 for the Town's individual and nonmajor governmental funds in the aggregate, including applicable allowances for uncollectible accounts, were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Property taxes	\$ 721,007	\$ (17,750)	\$ 703,257
Tax liens	1,052,240	-	1,052,240
Motor vehicle excise taxes	228,171	(91,500)	136,671
Ambulance	282,933	(89,500)	193,433
Departmental	194,476	-	194,476
Intergovernmental	677,498	-	677,498
	<u>\$ 3,156,325</u>	<u>\$ (198,750)</u>	<u>\$ 2,957,575</u>

Receivables as of June 30, 2023 for the Town's proprietary funds were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer user charges	\$ 569,998	\$ (5,000)	\$ 564,998
Sewer betterments	298,908	-	298,908
Water user charges	1,285,127	(5,000)	1,280,127
Solid waste user charges	302,972	(1,000)	301,972
	<u>\$ 2,457,005</u>	<u>\$ (11,000)</u>	<u>\$ 2,446,005</u>

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The following table identifies the components of unavailable revenues in the governmental funds:

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 697,167	\$ 6,090	\$ -	\$ 703,257
Tax liens	1,045,245	6,995	-	1,052,240
Motor vehicle excise taxes	136,671	-	-	136,671
Departmental	4,974	-	77,964	82,938
Ambulance	-	-	193,433	193,433
	<u>\$ 1,884,057</u>	<u>\$ 13,085</u>	<u>\$ 271,397</u>	<u>\$ 2,168,539</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 25,791,418	\$ 4,900,774	\$ -	\$ 30,692,192
Construction in-progress	-	98,639	-	98,639
Total capital assets not being depreciated	<u>25,791,418</u>	<u>4,999,413</u>	<u>-</u>	<u>30,790,831</u>
Capital assets being depreciated:				
Buildings and improvements	131,094,568	557,513	-	131,652,081
Infrastructure	41,921,214	3,687,762	-	45,608,976
Machinery and equipment	13,212,846	495,308	(316,182)	13,391,972
Vehicles	<u>4,058,617</u>	<u>273,883</u>	<u>(237,798)</u>	<u>4,094,702</u>
Total capital assets being depreciated	<u>190,287,245</u>	<u>5,014,466</u>	<u>(553,980)</u>	<u>194,747,731</u>
Less accumulated depreciation for:				
Buildings and improvements	(46,275,174)	(3,289,073)	-	(49,564,247)
Infrastructure	(27,979,472)	(1,052,793)	-	(29,032,265)
Machinery and equipment	(8,214,867)	(754,276)	316,182	(8,652,961)
Vehicles	<u>(2,625,431)</u>	<u>(364,629)</u>	<u>237,798</u>	<u>(2,752,262)</u>
Total accumulated depreciation	<u>(85,094,944)</u>	<u>(5,460,771)</u>	<u>553,980</u>	<u>(90,001,735)</u>
Total capital assets being depreciated, net	<u>105,192,301</u>	<u>(446,305)</u>	<u>-</u>	<u>104,745,996</u>
Governmental Activities Capital Assets, Net	<u>\$ 130,983,719</u>	<u>\$ 4,553,108</u>	<u>\$ -</u>	<u>\$ 135,536,827</u>

Depreciation expense was charged to governmental activities' functions/programs as follows:

General government	\$ 322,897
Public safety	558,646
Education	2,360,820
Public works	1,769,590
Health and human services	9,582
Culture and recreation	<u>439,236</u>
	<u>\$ 5,460,771</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Combined:</u>				
Capital assets not being depreciated:				
Land	\$ 614,836	\$ -	\$ -	\$ 614,836
Construction in-progress	6,420,364	13,919,878	-	20,340,242
Total capital assets not being depreciated	7,035,200	13,919,878	-	20,955,078
Capital assets being depreciated:				
Infrastructure	60,266,019	-	-	60,266,019
Machinery and equipment	1,796,759	-	-	1,796,759
Vehicles	572,747	-	-	572,747
Total capital assets being depreciated	62,635,525	-	-	62,635,525
Less accumulated depreciation for:				
Infrastructure	(30,027,514)	(1,029,530)	-	(31,057,044)
Machinery and equipment	(1,310,167)	(133,426)	-	(1,443,593)
Vehicles	(480,426)	(46,339)	-	(526,765)
Total accumulated depreciation	(31,818,107)	(1,209,295)	-	(33,027,402)
Total capital assets being depreciated, net	30,817,418	(1,209,295)	-	29,608,123
Business-Type Activities Capital Assets, Net	<u>\$ 37,852,618</u>	<u>\$ 12,710,583</u>	<u>\$ -</u>	<u>\$ 50,563,201</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Sewer</u>				
Capital assets being depreciated:				
Infrastructure	\$ 19,904,694	\$ -	\$ -	\$ 19,904,694
Machinery and equipment	137,224	-	-	137,224
Vehicles	261,201	-	-	261,201
Total capital assets being depreciated	20,303,119	-	-	20,303,119
Less accumulated depreciation for:				
Infrastructure	(9,746,021)	(364,579)	-	(10,110,600)
Machinery and equipment	(137,224)	-	-	(137,224)
Vehicles	(200,324)	(23,693)	-	(224,017)
Total accumulated depreciation	(10,083,569)	(388,272)	-	(10,471,841)
Total capital assets being depreciated, net	10,219,550	(388,272)	-	9,831,278
Total Sewer	<u>\$ 10,219,550</u>	<u>\$ (388,272)</u>	<u>\$ -</u>	<u>\$ 9,831,278</u>

(continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Water</u>				
Capital assets not being depreciated:				
Land	\$ 614,836	\$ -	\$ -	\$ 614,836
Construction in-progress	6,420,364	13,919,878	-	20,340,242
Total capital assets not being depreciated	7,035,200	13,919,878	-	20,955,078
Capital assets being depreciated:				
Infrastructure	40,361,325	-	-	40,361,325
Machinery and equipment	1,659,535	-	-	1,659,535
Vehicles	311,546	-	-	311,546
Total capital assets being depreciated	42,332,406	-	-	42,332,406
Less accumulated depreciation for:				
Infrastructure	(20,281,493)	(664,951)	-	(20,946,444)
Machinery and equipment	(1,172,943)	(133,426)	-	(1,306,369)
Vehicles	(280,102)	(22,646)	-	(302,748)
Total accumulated depreciation	(21,734,538)	(821,023)	-	(22,555,561)
Total capital assets being depreciated, net	20,597,868	(821,023)	-	19,776,845
Total Water	<u>\$ 27,633,068</u>	<u>\$ 13,098,855</u>	<u>\$ -</u>	<u>\$ 40,731,923</u>
				(concluded)

D. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2023 was as follows:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
General Fund	\$ -	\$ 2,824	\$ -	\$ 2,824 (1)
Nonmajor Governmental Funds	857,921	-	300,000	1,157,921 (2)
Sewer Enterprise Fund	229,146	-	-	229,146 (3)
Water Enterprise Fund	204,082	-	-	204,082 (4)
Solid Waste Fund	51,668	-	-	51,668 (4)
	<u>\$ 1,342,817</u>	<u>\$ 2,824</u>	<u>\$ 300,000</u>	<u>\$ 1,645,641</u>

- (1) Miscellaneous transfer.
- (2) Transfers to the general fund were primarily budgeted transfers from receipts reserved for appropriation. Transfers to water enterprise fund from donation account.
- (3) Transfer of \$181,000 to assist in funding shared capital and \$48,146 for debt service.
- (4) Transfer of funds for debt service.

E. Short-Term or Temporary Debt

The Town is authorized to borrow on a short-term or temporary basis to fund current operating costs (generally through revenue or tax anticipation notes) or capital projects (generally through grant anticipation notes or bond anticipation notes). Short-term or temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for short-term or temporary borrowings are generally accounted for in the general fund and enterprise funds, respectively.

The following summarizes the Town's short-term or temporary borrowings for the fiscal year ended June 30, 2023:

Type	Interest Rate	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance
MCWT interim note payable	0.00%	n/a	\$ 67,265	\$ 28,000	\$ -	\$ 95,265
Bond anticipation note payable	0.35%	matured	135,000	-	(135,000)	-
Bond anticipation note payable	2.00%	matured	350,000	-	(350,000)	-
			<u>\$ 552,265</u>	<u>\$ 28,000</u>	<u>\$ (485,000)</u>	<u>\$ 95,265</u>

The outstanding amounts on the MCWT interim note payable were issued for septic programs. The Town has the ability to draw an additional \$104,735 from the Massachusetts Clean Water Trust (the "MCWT") as part of a \$200,000 July 2016 loan commitment between the parties.

F. Long-Term Liabilities

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations primarily related to personnel costs. The following tables reflects the current year activity in the long-term liability accounts:

Description of Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 31,155,000	\$ 5,150,000	\$ (3,255,000)	\$ 33,050,000	\$ 3,445,000
Unamortized bond premium	1,139,872	505,000	(162,667)	1,482,205	197,227
Direct borrowings and placements	157,760	-	(13,532)	144,228	13,546
Compensated absences	387,109	65,142	(24,534)	427,717	106,929
Net OPEB liability	32,593,358	13,945,428	(12,530,205)	34,008,581	-
Net pension liability	13,253,123	13,341,792	(5,783,248)	20,811,667	-
Total Governmental Activities	<u>\$ 78,686,222</u>	<u>\$ 33,007,362</u>	<u>\$ (21,769,186)</u>	<u>\$ 89,924,398</u>	<u>\$ 3,762,702</u>

Description of Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Business-Type Activities:</i>					
Sewer:					
General obligation bonds	\$ 1,135,000	\$ -	\$ (185,000)	\$ 950,000	\$ 150,000
Compensated absences	4,620	1,016	-	5,636	1,409
Net OPEB liability	57,653	24,792	(19,443)	63,002	-
Net pension liability	168,830	169,959	(73,672)	265,117	-
Total Sewer	1,366,103	195,767	(278,115)	1,283,755	151,409
Water:					
General obligation bonds	11,325,000	17,480,000	(860,000)	27,945,000	1,455,000
Unamortized bond premium	365,346	1,250,000	(85,638)	1,529,708	124,186
Direct borrowings and placements	2,379,076	-	(147,463)	2,231,613	150,669
Compensated absences	37,176	3,370	-	40,546	10,137
Net OPEB liability	583,563	226,461	(202,973)	607,051	-
Net pension liability	548,696	552,368	(239,434)	861,630	-
Total Water	15,238,857	19,512,199	(1,535,508)	33,215,548	1,739,992
Solid Waste:					
Compensated absences	9,225	-	(5,925)	3,300	825
Net OPEB liability	98,962	37,652	(35,246)	101,368	-
Net pension liability	98,484	99,143	(42,976)	154,651	-
Total Solid Waste	206,671	136,795	(84,147)	259,319	825
Total Business-Type Activities	\$ 16,811,631	\$ 19,844,761	\$ (1,897,770)	\$ 34,758,622	\$ 1,892,226

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the respective enterprise funds.

General obligation bonds and notes payable outstanding at June 30, 2023 were as follows:

Description	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	1.00 - 5.00%	\$ 31,155,000	\$ 5,150,000	\$ (3,255,000)	\$ 33,050,000
MCWT Notes	2.00%	157,760	-	(13,532)	144,228
		31,312,760	5,150,000	(3,268,532)	33,194,228
Add: unamortized bond premium		1,139,872	505,000	(162,667)	1,482,205
Total Governmental Activities, net		\$ 32,452,632	\$ 5,655,000	\$ (3,431,199)	\$ 34,676,433
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	2.00 - 5.0%	\$ 1,135,000	\$ -	\$ (185,000)	\$ 950,000
<i>Business-Type Activities - Water:</i>					
General obligation bonds	1.00 - 5.00%	11,325,000	17,480,000	(860,000)	27,945,000
MCWT Notes	2.00%	2,379,076	-	(147,463)	2,231,613
		13,704,076	17,480,000	(1,007,463)	30,176,613
Add: unamortized bond premium		365,346	1,250,000	(85,638)	1,529,708
Total Water		14,069,422	18,730,000	(1,093,101)	31,706,321
Total Business-Type Activities, net		\$ 15,204,422	\$ 18,730,000	\$ (1,278,101)	\$ 32,656,321

Debt service requirements on long-term debt at June 30, 2023 are as follows:

Year Ended June 30,	Governmental Activities			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 3,445,000	\$ 1,058,708	\$ 13,546	\$ 90
2025	3,405,000	944,784	9,962	-
2026	3,400,000	824,014	9,977	-
2027	2,755,000	711,092	9,992	-
2028	2,615,000	611,621	10,007	-
2029 - 2033	10,415,000	1,855,470	50,262	-
2034 - 2038	4,545,000	722,749	40,482	-
2039 - 2043	2,470,000	166,300	-	-
	<u>\$ 33,050,000</u>	<u>\$ 6,894,738</u>	<u>\$ 144,228</u>	<u>\$ 90</u>

Year Ended June 30,	Business-Type Activities: Combined			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 1,605,000	\$ 1,061,927	\$ 150,669	\$ 44,412
2025	1,590,000	999,359	153,942	41,394
2026	1,545,000	938,994	157,288	38,310
2027	1,540,000	879,327	160,708	35,159
2028	1,460,000	821,207	164,200	31,940
2029 - 2033	6,200,000	3,353,796	876,106	108,908
2034 - 2038	5,060,000	2,402,504	538,274	24,396
2039 - 2043	4,120,000	1,508,216	30,426	304
2044 - 2048	2,900,000	867,000	-	-
2049 - 2053	2,875,000	289,000	-	-
	<u>\$ 28,895,000</u>	<u>\$ 13,121,330</u>	<u>\$ 2,231,613</u>	<u>\$ 324,823</u>

Year Ended June 30,	Business-Type Activities: Sewer			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 150,000	\$ 32,994	\$ -	\$ -
2025	150,000	27,800	-	-
2026	130,000	22,538	-	-
2027	130,000	17,612	-	-
2028	130,000	12,631	-	-
2029 - 2030	260,000	10,138	-	-
	<u>\$ 950,000</u>	<u>\$ 123,713</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Business-Type Activities: Water				
Year Ended June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 1,455,000	\$ 1,028,933	\$ 150,669	\$ 44,412
2025	1,440,000	971,559	153,942	41,394
2026	1,415,000	916,456	157,288	38,310
2027	1,410,000	861,715	160,708	35,159
2028	1,330,000	808,576	164,200	31,940
2029 - 2033	5,940,000	3,343,658	876,106	108,908
2034 - 2038	5,060,000	2,402,504	538,274	24,396
2039 - 2043	4,120,000	1,508,216	30,426	304
2044 - 2048	2,900,000	867,000	-	-
2049 - 2053	2,875,000	289,000	-	-
	<u>\$ 27,945,000</u>	<u>\$ 12,997,617</u>	<u>\$ 2,231,613</u>	<u>\$ 324,823</u>
				(concluded)

Authorized and unissued debt at June 30, 2023 included:

Project	Amount
Urban renewal projects	\$ 2,515,000
Water treatment plant	2,750,000
Lead water line study	140,000
	<u>\$ 5,405,000</u>

G. Fund Balances

The components of fund balances as listed in aggregate in the governmental funds balance sheet at June 30, 2023 are as follows:

	General Fund	Community Preservation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Nonexpendable perpetual funds	\$ -	\$ -	\$ -	\$ 110,869	\$ 110,869
Restricted:					
Expendable perpetual funds	-	-	-	625,623	625,623
Debt service reserve	338,663	-	-	-	338,663
Community preservation	-	4,629,339	-	-	4,629,339
Capital projects	-	-	455,293	-	455,293
Special revenue funds	-	-	-	8,537,506	8,537,506
Committed:					
General government	409,046	-	-	-	409,046
Public safety	29,712	-	-	-	29,712
Education	679,624	-	-	-	679,624
Public works	875,446	-	-	-	875,446
Culture and recreation	121,486	-	-	-	121,486
Capital stabilization funds	8,348,254	-	-	-	8,348,254
Other stabilization funds	613,198	-	-	-	613,198
Assigned:					
Public safety	192,365	-	-	-	192,365
Education	193,272	-	-	-	193,272
Subsequent years' budget	2,739,311	-	-	-	2,739,311
Other purposes	116,180	-	-	-	116,180
Unassigned:					
General stabilization funds	4,508,208	-	-	-	4,508,208
Unrestricted	7,608,817	-	(9,334)	(173,839)	7,425,644
	<u>\$ 26,773,582</u>	<u>\$ 4,629,339</u>	<u>\$ 445,959</u>	<u>\$ 9,100,159</u>	<u>\$ 40,949,039</u>

Stabilization Funds – The Town maintains several stabilization funds. Each stabilization fund requires a two-thirds vote from the Town Meeting to release these reserved funds. The Town reports the general stabilization fund in its unassigned fund balance in its general funds. The capital and other specific-purpose stabilization funds are reported as components of the committed fund balance in the general fund.

Encumbrances – The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Town Controller as assigned, and (2) classify encumbrances that result from an action of the Town Council as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The Town reports \$501,817 of encumbrances from normal purchasing activity in the general fund as assigned. There are no encumbrances reported in any other fund.

I. Excess of Expenditures Over Appropriations and Deficits

The Town did not report any expenditures over appropriations in fiscal year 2023.

The Town reported deficits of \$9,334 and \$173,839, respectively, in its capital projects fund and nonmajor governmental funds at June 30, 2023. The Town expects these deficits will be cured through future intergovernmental receipts, budget transfers or the issuance of general obligation bonds.

III. Other Information

A. Retirement System

Pension Plan Description – The Town contributes to the Norfolk County Retirement System (the “Retirement System”), a cost-sharing multiple-employer defined benefit pension plan. The Retirement System was established under Chapter 32 of Massachusetts General Laws (“MGL”). The Retirement System is administered by the Norfolk County Retirement Board (the “Retirement Board”). Stand-alone audited financial statements for the year ended December 31, 2022 were issued and are available by submitting a request to the Retirement System at 480 Neponset Street, Building No. 15, Canton, Massachusetts 02021.

Current membership in the Retirement System for all forty-two participating employers as of December 31, 2022 was as follows:

Active members	6,902
Inactive members	3,399
Retirees and beneficiaries	<u>3,855</u>
	<u>14,156</u>

Benefit Terms – Membership in the Retirement System is mandatory for all full-time employees and nonseasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school department participate in a separate pension plan administered by the Massachusetts Teachers’ Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the Retirement System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform throughout the Commonwealth. The Retirement System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the Retirement System include normal retirement, disability retirement and survivor benefits.

- Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012, or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years’ creditable

service in order to retire at age 55. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

- Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status.
- Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the Retirement System.

The Retirement System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the Retirement System's benefit terms in the current fiscal year.

Contributions Requirements – Under current MGL participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The Retirement System is required to be fully funded by June 30, 2040.

The Town contributed \$3,510,400 to the Retirement System in fiscal year 2023, which equaled its actuarially-determined contribution requirement for the fiscal year. The Town's contributions as a percentage of covered payroll were approximately 24% in fiscal year 2023.

Net Pension Liability – At June 30, 2023, the Town reported a liability of \$22,093,065 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022, the measurement date. There were no material changes to the Retirement System's benefit terms since the actuarial valuation. There were no material changes in assumption made in this update to from the full actuarial valuation.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the Retirement System relative to the projected contributions of all employers. The Town's proportion was approximately 3.82% at December 31, 2022 and 2021.

Fiduciary Net Position – The elements of the Retirement System’s basic financial statements (that is, all information about the Retirement System’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the Retirement System’s full financial statements as of and for the year ended December 31, 2022, which can be obtained by contacting the Retirement Board.

The Retirement System’s fiduciary net position was determined using the accrual basis of accounting. The Retirement System’s accounting records are maintained on a calendar-year basis in accordance with the standards and procedures established by the Massachusetts Public Employee Retirement Administration Commission, or PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Pension Expense – The Town recognized \$3,194,843 in pension expense in the statement of activities in fiscal year 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 727,243	\$ -
Net difference between projected and actual earnings on pension plan investments	4,218,757	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	816,808	-
	<u>\$ 5,762,808</u>	<u>\$ -</u>

The net deferred outflows of resources at June 30, 2023 are expected to be recognized in the Town’s pension expense as follows:

Year ended June 30,

2024	\$ 945,622
2025	1,517,541
2026	1,185,901
2027	<u>2,113,744</u>
	<u>\$ 5,762,808</u>

Actuarial Valuation – The measurement of the Retirement System’s total pension liability is developed by an independent actuary. The significant actuarial assumptions used in the latest actuarial valuation included:

Actuarial Cost Method	Entry age normal cost method
Projected Salary Increases	3.5% to 5.5%
Cost of Living Adjustments	3.00% of the first \$18,000 of retirement income
Investment Rate of Return	7.75%
Pre-Retirement Mortality Rates	The RP-2014 Blue Collar Employee Mortality Table with Scale MP-2014, fully generational
Post-Retirement Mortality Rates	The RP-2014 Blue Collar Mortality Table, set forward 5 years for males and 3 years for females (Groups 1 and 2) and 3 years for males and 6 years for females (Group 4), fully generational
Disabled Retiree Mortality Rates	The RP-2000 Blue Collar Mortality Table set forward 6 years (Groups 1 and 2) and 2 years (Group 2); generational adjusting is based on Scale MP-2014

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Retirement System’s target allocation as of December 31, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	30.50%	7.00%
International equity	15.50%	7.70%
Fixed income	20.50%	4.30%
Real estate	9.50%	6.90%
Private equity	10.00%	9.40%
Hedge funds	11.50%	8.60%
Real estate	2.50%	8.90%

Discount Rate – The discount rate used to measure the total pension liability at December 31, 2022 was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates. Based on those assumptions, the Retirement System’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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents the Town’s proportionate share of the net pension liability calculated using the current discount rate as well as the Town’s proportionate share of the net pension liability using a discount rate that is 1% lower or higher than the current rate:

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.75%	\$ 29,348,806	\$ 22,093,065	\$ 15,924,762

B. Massachusetts Teachers’ Retirement System

Teachers and certain administrative employees of the Town’s school department participate in the Massachusetts Teachers’ Retirement System (“MTRS”), a cost-sharing, multiple employer defined benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the Retirement System, MTRS was established under Chapter 32 of MGL. The Commonwealth’s legislature has the authority to amend or modify the MTRS’s funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GAAP.

For the year ended June 30, 2022 (the latest period for which MTRS has provided financial data), the Commonwealth contributed \$4,688,427 to the MTRS on behalf of the Town. The Town’s proportionate share of the collective MTRS net pension liability at this reporting date was approximately 0.22%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The net pension liability assumed by the Commonwealth on behalf of the Town was \$57,671,019 at June 30, 2022 (the latest period for which MTRS has provided financial data). The pension expense assumed by the Commonwealth on behalf of the Town was \$4,744,004 for the year ended June 30, 2022 (the latest period for which MTRS has provided financial data). This amount has been recognized by the Town as intergovernmental revenue and pension expense for the year ended June 30, 2023.

Additional information on MTRS can be found on its website.

C. Other Postemployment Benefits

The Town administers a single-employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Chapter 32B of MGL.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town’s premium-based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Town’s financial statements. OPEB Plan disclosures can be found in this footnote disclosure.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2023:

Inactive employees or beneficiaries receiving benefits	346
Active employees	<u>320</u>
	<u>666</u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contribute 50% of medical insurance premiums and 100% of dental and life insurance. The Town currently contributes enough money to the OPEB Plan to satisfy current obligations on a pay-as-you-go basis plus additional contributions, which were \$300,000 in fiscal year 2023. The costs of administering the OPEB Plan are paid by the Town. For the year ended June 30, 2023, the Town’s average contribution rate was approximately 5% of covered payroll.

Net OPEB Liability – The Town’s net OPEB liability was determined using an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023 (the measurement date). The components of the net OPEB liability at June 30, 2023 were as follows:

Total other postemployment benefits liability	\$ 37,507,482
Less Plan fiduciary net position	<u>2,727,480</u>
Net other postemployment benefits liability	<u>\$ 34,780,002</u>
Plan fiduciary net position as a percentage of total other postemployment benefits liability	7.3%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value of assets as of reporting date
Healthcare Cost Trends	4.5%
Investment Rate of Return	5.93% (previously 6.16%)
Single Equivalent Discount Rate	5.53% (previously 5.70%)
Pre-retirement Mortality	RP-2014 Blue Collar Mortality Table projected generationally with scale MP-2016, set forward one year for females (non-teachers only); for teachers, the RP-2014 White Collar Mortality table was used
Post-retirement Mortality	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2016, set forward one year for females (non-teachers only); for teachers, the RP-2014 White Collar Healthy Annuitant Table was used
Disabled Mortality	RP-2014 Blue Collar Healthy Annuitant Table projected generationally for scale MP-2016, set forward one year (non-teachers only); for teachers, the RP-2014 White Collar Healthy Annuitant Table was used

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities - large cap	53.75%	4.10%
Domestic equities - small/mid cap	7.00%	4.55%
International equities - developed markets	7.75%	4.64%
International equities - emerging markets	4.25%	5.45%
Fixed income - domestic	18.75%	1.05%
Alternatives	3.25%	5.95%
Real estate	2.75%	6.25%
Cash	<u>2.50%</u>	<u>0.00%</u>
Total	<u>100.00%</u>	
Real rate of return		3.68%
Inflation assumption		<u>2.50%</u>
Total nominal return		6.18%
Less investment expense		<u>-0.25%</u>
Net investment return		<u>5.93%</u>

Discount Rate – The discount rate used to measure the total OPEB liability was 5.53% versus a discount rate of 5.70% in the previous actuarial report.

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2023:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 35,464,161	\$ 2,130,625	\$ 33,333,536
Changes for the year:			
Service cost	807,738	-	807,738
Interest	2,025,250	-	2,025,250
Changes in assumptions	713,548	-	713,548
Experience differences	-	-	-
Employer contributions	-	1,803,215	(1,803,215)
Net investment income	-	296,855	(296,855)
Benefit payments	(1,503,215)	(1,503,215)	-
Net changes	2,043,321	596,855	1,446,466
Balances at June 30, 2023	<u>\$ 37,507,482</u>	<u>\$ 2,727,480</u>	<u>\$ 34,780,002</u>

Sensitivity Analyses – The following presents the Town’s net OPEB liability at June 30, 2023 as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate:

Current Discount Rate	Net OPEB Liability At		
	1% Decrease	Current Rate	1% Increase
5.53%	\$ 40,020,935	\$ 34,780,002	\$ 30,527,575

The following presents the Town’s net OPEB liability as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than the current healthcare cost trend rates:

Current Trend Rate	Net OPEB Liability At		
	1% Decrease	Current Rate	1% Increase
4.50%	\$ 30,130,793	\$ 34,780,002	\$ 40,529,915

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,623,552. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,622,824	\$ 1,935,367
Changes of assumptions	5,624,857	291,403
Net difference between projected and actual earnings on OPEB Plan investments	-	51,106
	<u>\$ 7,247,681</u>	<u>\$ 2,277,876</u>

Amounts reported as net deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,

2024	\$ 264,702
2025	1,653,657
2026	2,131,787
2027	868,026
2028	51,633
	<u>\$ 4,969,805</u>

Investment Custody – In accordance with MGL, the Town Treasurer is the custodian of the OPEB Plan.

Investment Policy – The OPEB Plan invests its funds in permissible investments as stipulated by the Commonwealth. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule and may. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Town.

Investment Rate of Return – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was approximately 12.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Risk Financing

The Town is exposed to various risks of loss related to general liability; torts; theft of, damage to and destruction of assets; errors and omissions; employment matter; environmental matters; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

E. Commitments and Contingencies

General – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability at June 30, 2023 cannot be determined, management believes that the resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2023.

Appellate Tax Board – The Town has pending cases filed with the Massachusetts Appellate Tax Board of the Commonwealth of Massachusetts (“ATB”). Assessed real estate values for ATB cases totaled approximately \$10.7 million at June 30, 2023. Assessed personal property values for ATB cases totaled over \$150.8 million at June 30, 2023, all of which pertained to personal property taxes with two utility companies. No provision has been made in the government-wide financial statements in the event that the Town is unsuccessful in ATB.

Grant Compliance – Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Town expects such amounts, if any, to be immaterial.

Arbitrage – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The Town does not believe it has failed to comply with any of these agreements.

F. Economic Dependence

During the fiscal year ended June 30, 2023, approximately 24% of total general fund revenues were recognized from the Commonwealth or other governmental agencies.

IV. Implementation of Accounting Pronouncements

A. Current Year Implementations

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement was to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town’s financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement was to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town’s financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement was to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

B. Future Year Implementations

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

* * * * *

TOWN OF MEDWAY, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN PENSION PLAN**

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(dollar amounts are in thousands)

Year Ended June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	3.82%	\$ 22,093	\$ 14,356	153.9%	68.6%
2022	3.82%	14,069	13,870	101.4%	79.4%
2021	3.51%	17,951	12,819	140.0%	70.2%
2020	3.51%	20,601	12,385	166.3%	58.3%
2019	3.51%	22,820	10,910	209.2%	58.3%
2018	3.50%	19,346	10,541	183.5%	63.5%
2017	3.57%	18,648	10,646	175.2%	61.6%
2016	3.57%	17,951	9,768	183.8%	58.6%
2015	3.32%	17,193	9,196	187.0%	60.1%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE PENSION PLAN
(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 3,510	\$ 3,510	\$ -	\$ 14,356	24.4%
2022	3,271	3,271	-	13,870	23.6%
2021	2,815	2,815	-	12,819	22.0%
2020	2,628	2,628	-	12,385	21.2%
2019	2,452	2,452	-	10,910	22.5%
2018	2,239	2,239	-	10,541	21.2%
2017	2,099	2,099	-	10,646	19.7%
2016	1,903	1,903	-	9,768	19.5%
2015	1,565	1,565	-	9,196	17.0%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF MEDWAY, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM PENSION PLAN**

**SCHEDULE OF THE COMMONWEALTH'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**
(dollar amounts are in thousands)

For the Year Ended June 30, *	Commonwealth's Proportion of the MTRS Net Pension Liability	Town's Proportion of the MTRS Net Pension Liability	Commonwealth's Proportionate Share of the MTRS Net Pension Liability	Commonwealth's Actuarially Determined Contribution	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	100%	0%	\$ 57,671	\$ 4,688	57.8%
2022	100%	0%	52,518	4,044	52.0%
2021	100%	0%	67,657	3,682	50.7%
2020	100%	0%	67,870	3,886	53.9%
2019	100%	0%	57,948	3,213	54.8%
2018	100%	0%	56,598	3,056	54.3%
2017	100%	0%	60,893	3,063	52.7%
2016	100%	0%	53,635	2,675	55.4%
2015	100%	0%	42,198	2,488	61.6%

* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the Town has not recognized any portion of the net pension liability relative to Town employees covered under the MTRS pension plan.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF MEDWAY, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

(dollar amounts are in thousands)

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service cost	\$ 808	\$ 485	\$ 468	\$ 452	\$ 859	\$ 1,131	\$ 1,736
Interest	2,025	1,559	1,513	1,518	1,781	1,276	1,289
Differences in experience	-	2,580	-	(8,229)	-	(4,578)	-
Changes in assumptions	713	8,019	-	(1,239)	(6,620)	-	-
Benefit payments	(1,503)	(1,342)	(1,240)	(1,165)	(1,125)	(1,056)	(1,054)
Net Change in Total OPEB Liability	2,043	11,301	741	(8,663)	(5,105)	(3,227)	1,971
Total OPEB Liability:							
Beginning of year	34,464	24,163	23,422	32,085	37,190	40,417	38,446
End of year (a)	\$ 36,507	\$ 35,464	\$ 24,163	\$ 23,422	\$ 32,085	\$ 37,190	\$ 40,417
Plan Fiduciary Net Position:							
Contributions	\$ 1,803	\$ 1,642	\$ 1,540	\$ 1,465	\$ 1,425	\$ 1,156	\$ 1,154
Net investment income (loss)	296	(175)	406	50	95	3	1
Benefit payments	(1,503)	(1,342)	(1,240)	(1,165)	(1,125)	(1,056)	(1,054)
Net Change in Plan Fiduciary Net Position	596	125	706	350	395	103	101
Plan Fiduciary Net Position:							
Beginning of year	2,131	2,006	1,300	950	555	452	351
End of year (b)	\$ 2,727	\$ 2,131	\$ 2,006	\$ 1,300	\$ 950	\$ 555	\$ 452
Net OPEB Liability — End of Year	\$ 33,780	\$ 33,333	\$ 22,157	\$ 22,122	\$ 31,135	\$ 36,635	\$ 39,965
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.5%	6.0%	8.3%	5.6%	3.0%	1.5%	1.1%
Covered payroll	\$ 33,574	\$ 32,596	\$ 26,896	\$ 26,113	\$ 21,905	\$ 21,267	\$ 19,594
Net OPEB Liability as a Percentage of Covered Payroll	100.6%	102.3%	82.4%	84.7%	142.1%	172.3%	204.0%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF MEDWAY, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CONTRIBUTIONS

(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially- Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2023	\$ 2,420	\$ 1,803	\$ 617	\$ 33,574	5.4%
2022	2,062	1,642	420	32,596	5.0%
2021	1,618	1,540	78	26,896	5.7%
2020	2,043	1,465	578	26,113	5.6%
2019	2,738	1,425	1,313	21,905	6.5%
2018	3,231	1,156	2,075	21,267	5.4%
2017	3,685	1,254	2,431	19,594	6.4%

Notes to Schedule:

Valuation date	July 1, 2021
Asset valuation method	Market value of the assets as of the reporting date
Actuarial cost method	Individual entry age normal
Investment rate of return	5.93% (previously 6.16%)
Single equivalent discount rate	5.53% (previously 5.70%)
Healthcare cost trend rates	4.5%

SCHEDULE OF INVESTMENT RETURNS

Year Ended June 30,	Annual Money- Weighted Rate of Return (net of investment expenses)
2023	12.35%
2022	-7.68%
2021	25.87%
2020	4.07%
2019	11.41%
2018	0.55%
2017	0.00%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF MEDWAY, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual		Actual	Positive
	Original Budget	Final Budget	Budgetary Amounts	Articles and Encumbrances	Budgetary Adjusted	(Negative) Variance
Revenues:						
Property taxes, net of tax refunds	\$ 47,427,938	\$ 47,427,938	\$ 47,354,669		\$ 47,354,669	\$ (73,269)
Intergovernmental	12,442,642	12,442,642	12,359,532		12,359,532	(83,110)
Motor vehicle and other excise taxes	2,071,076	2,071,076	2,731,901		2,731,901	660,825
Licenses and permits	325,000	325,000	764,250		764,250	439,250
Penalties and interest on taxes	80,000	80,000	97,824		97,824	17,824
Fines and forfeitures	20,000	20,000	7,555		7,555	(12,445)
Departmental and other revenues	599,024	599,024	1,238,519		1,238,519	639,495
Investment income	100,000	100,000	777,746		777,746	677,746
Total Revenues	63,065,680	63,065,680	65,331,996		65,331,996	2,266,316
Expenditures:						
General government	4,604,343	4,579,343	3,935,244	\$ 430,102	4,365,346	213,997
Public safety	7,383,219	7,383,219	6,941,795	222,077	7,163,872	219,347
Education	32,247,541	32,247,541	31,294,866	872,896	32,167,762	79,779
Public works	6,544,929	6,544,929	4,956,031	939,348	5,895,379	649,550
Health and human services	648,740	648,740	590,491	1,500	591,991	56,749
Culture and recreation	976,930	976,930	828,999	127,275	956,274	20,656
Pension and fringe benefits	11,865,970	11,890,970	10,593,211	23,933	10,617,144	1,273,826
State and county charges	953,051	953,051	800,639	-	800,639	152,412
Debt service	4,365,000	4,365,000	3,489,345	-	3,489,345	875,655
Total Expenditures	69,589,723	69,589,723	63,430,621	\$ 2,617,131	66,047,752	3,541,971
Other Financing Sources (Uses):						
Transfers in	1,548,382	1,548,382	1,887,303		1,887,303	338,921
Transfers out	(1,155,000)	(1,377,824)	(1,377,824)		(1,377,824)	-
Total Other Financing Sources (Uses)	393,382	170,558	509,479		509,479	338,921
(Deficiency) Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(6,130,661)	(6,353,485)	\$ 2,410,854		\$ (206,277)	\$ 6,147,208
Other Budgetary Items:						
Prior year articles and encumbrances	2,552,295	2,552,295				
Free cash	3,469,916	3,692,740				
Other items	108,450	108,450				
Total Other Budgetary Items	6,130,661	6,353,485				
Net Budget	\$ -	\$ -				

See notes to required supplementary information.

See accompanying independent auditors' report.

TOWN OF MEDWAY, MASSACHUSETTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

An annual budget is legally adopted for the general fund. Generally, financial orders are initiated by the Town Manager, recommended by the Town Finance Committee and approved at Town Meeting. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The Town's general fund is prepared using the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue, which is not GAAP. The "actual" results column of the Schedule of Revenues, Expenditures and Changes in Fund Equity – Budgetary Basis is presented on a budgetary basis to provide a meaningful comparison with the budget. A complete reconciliation is provided below:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues — budgetary basis			\$ 65,331,996
On behalf payments	\$ 4,744,004	\$ -	4,744,004
Stabilization interest	-	206,008	206,008
Revenues — GAAP basis	<u>\$ 4,744,004</u>	<u>\$ 206,008</u>	<u>\$ 70,282,008</u>
Expenditures — budgetary basis			\$ 63,430,621
Accounting for indirect costs	\$ -	\$ (735,382)	(735,382)
Transfer treatment - debt service	-	303,896	303,896
On behalf payments	4,744,004	-	4,744,004
Expenditures — GAAP basis	<u>\$ 4,744,004</u>	<u>\$ (431,486)</u>	<u>\$ 67,743,139</u>
Net transfers — budgetary basis			\$ 509,479
Accounting for indirect costs	\$ -	\$ (735,382)	(735,382)
Transfer treatment - debt service	-	303,896	303,896
Stabilization transfers	-	1,262,000	1,262,000
Net transfers — GAAP basis	<u>\$ -</u>	<u>\$ 830,514</u>	<u>\$ 1,339,993</u>

AGENDA ITEM

#7

Presentation: Fiscal Year 2023 Other Post Employee Benefits (OPEB) Actuarial Valuation Report by Odyssey Advisors

Associated back up materials attached:

- *PowerPoint Presentation*
- *Letter from Odyssey Advisors*
- *Report from Odyssey Advisors*



Town of Medway



GASB 75 Results

January 2, 2024

FOUNDED IN 1998

Actuaries & Management
Consultants

Providing actuarial consulting
& valuation services to over
500 municipal entities

Offices in Connecticut &
Nevada - with clients in 37
states, Europe, South America
& Australia

**About
Us**



GASB 75 Results

Measurement Date	06/30/2023	06/30/2022
Reporting Date	06/30/2023	06/30/2022
Total OPEB Liability (TOL): The value of the benefits that have been earned by active and retired employees	37,507,482	35,464,161
Fiduciary Net Position: (i.e. assets)	2,727,480	2,130,625
Net OPEB Liability (NOL): The TOL minus the assets	34,780,002	33,333,536

GASB 75 Results

	FY 2023	FY 2022
Service Cost: The value of the benefits that eligible employees accrue each year	807,738	484,577
Financial Statement Expense	1,623,552	240,443
Employer Share of Cost: The employer's portion of the premiums each year including implicit cost	1,503,215	1,341,829
Trust Contributions	300,000	300,000
Net OPEB Expense: The expense (on an accrual basis) that is recognized annually on the financial statement	(179,663)	(1,401,386)
Discount Rate	5.53%	5.70%

GASB 75

Results

Positive Drivers of Plan Experience

- None

Negative Drivers of Plan Experience

- Discount Rates
Decreased
 - Decreasing liabilities
by \$700k

Actuarial Assumptions

DISCOUNT RATE

The interest rate used to calculate the present value of future cash flows. Currently, 5.53% (previously 5.70%).

TERMINATION RATES

Probability of leaving employment each year prior to retirement.

RETIREMENT RATES

Percentage of retirement eligible employees who retire each year.

ELECTION PERCENTAGE

Percentage of eligible employees who elect to receive benefits in retirement.

HEALTHCARE COST INFLATION

The rate at which healthcare costs are expected to increase. Currently, 9.00% per year (evaluated annually according to the Getzen Model of Long-Run Medical Cost Trends).



Medical Plan Offerings

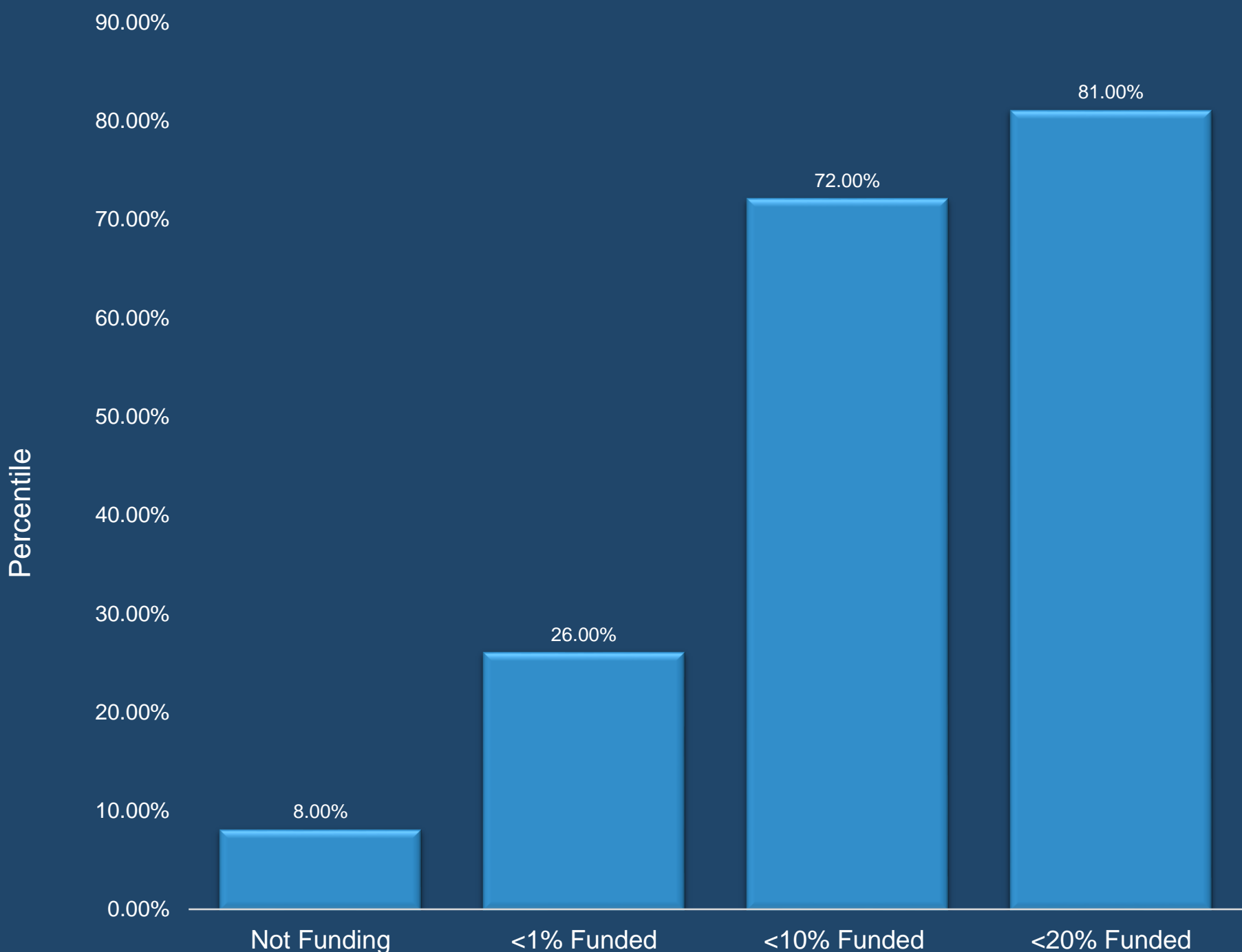
Comprehensive Medical, Dental and \$5,000 of Life Insurance Offered through Tufts, BCBS of Massachusetts, and Fallon

Average Active Single Plan:
\$950

Average Medicare Supplement Plan:
\$279

TOWN & CITY FUNDING RATIOS

As of 12/31/2022



FUNDING COMPARISON TO OTHER ODYSSEY CLIENTS

COMPARISON TO YOUR PEERS

	Number of Eligible Actives	Discount Rate	Total Annual Service Cost (annual benefit accrual)	Per Eligible Active Plan Participant	Net OPEB Liability	Funded Ratio	Benefit Payments	Per Covered Retiree
Town of Medway	320	5.53%	807,738	2,524	34,780,002	7.27%	1,503,215	4,345
Town of Bellingham	451	4.43%	1,692,430	3,753	60,863,701	1.35%	1,778,266	4,926
Town of Holliston	654	6.30%	1,671,192	2,555	38,290,464	39.78%	2,535,864	6,453
Town of Milford	958	5.48%	3,272,873	3,416	119,295,042	7.44%	4,431,146	6,745
Town of Millis	334	4.21%	1,509,543	4,520	50,396,921	0.51%	1,155,832	6,248
Town of Norfolk	309	4.26%	968,881	3,136	32,332,493	0.79%	1,121,521	6,716
Massachusetts Average (Odyssey Clients only)	188	4.20%	719,683	3,830	24,718,745	8.39%	879,426	6,136

SERVICE COST PER ACTIVE EMPLOYEE

Town of Medway
Service Cost per Capita as of July 1, 2021

	General Government Employees	Teacher Employees	School Non-Teacher Employees	Police Employees	Fire Employees	Water Enterprise Employees	Sewer Enterprise Employees	Solid Waste Enterprise Employees	Total
I. Service Cost	110,979	447,584	90,889	75,400	63,254	14,695	2,822	2,115	807,738
II. Eligible Actives	50	171	40	30	19	7	2	1	320
III. Service Cost per Eligible Active [I. / II.]	2,220	2,617	2,272	2,513	3,329	2,099	1,411	2,115	2,524

Total Medical, Dental & Life Insurance - Funding - 5.53% discount rate									
Measurement Date	I. Total OPEB Liability ("TOL")	II. Fiduciary Net Position	III. Net OPEB Liability ("NOL") [I. - II.]	IV. Funded Ratio [III. / I.]	V. Employer Share of Premiums / Claims	VI. Excess Employer Payments (beyond claims)	VII. Total Employer Contribution [V. + VI.]	VIII. Present Value of TOL using 3.0% Interest Rate	IX. Present Value of Employer Share of Premiums / Claims using 3.0% Interest Rate
June 30, 2023	37,507,482	2,727,480	34,780,002	7.27%	1,503,215	300,000	1,803,215	37,507,482	1,503,215
June 30, 2024	38,680,607	3,197,986	35,482,621	8.27%	1,648,929	300,000	1,948,929	36,415,031	1,459,432
June 30, 2025	39,819,739	3,696,393	36,123,346	9.28%	1,778,529	300,000	2,078,529	36,460,182	1,554,274
June 30, 2026	40,939,972	4,224,356	36,715,616	10.32%	1,892,933	300,000	2,192,933	36,440,702	1,627,606
June 30, 2027	41,993,471	4,783,627	37,209,844	11.39%	2,059,670	300,000	2,359,670	36,374,635	1,681,846
June 30, 2032	47,186,400	8,118,579	39,067,821	17.21%	2,519,723	300,000	2,819,723	35,379,991	1,834,014
June 30, 2037	52,364,407	12,566,781	39,797,626	24.00%	2,764,728	300,000	3,064,728	33,950,859	1,810,080
June 30, 2042	58,050,385	18,499,849	39,550,536	31.87%	3,151,649	300,000	3,451,649	32,342,334	1,781,339
June 30, 2047	65,059,501	26,413,451	38,646,050	40.60%	3,534,713	300,000	3,834,713	31,232,100	1,713,571
June 30, 2052	74,315,555	36,968,714	37,346,841	49.75%	3,682,954	300,000	3,982,954	30,637,319	1,546,461
June 30, 2057	86,774,257	51,047,459	35,726,798	58.83%	4,149,566	300,000	4,449,566	30,752,035	1,471,250
June 30, 2062	103,957,791	69,825,868	34,131,923	67.17%	4,396,872	300,000	4,696,872	31,608,603	1,363,752

Projected Cash Flows

Questions?



**11 Hayward Ave. BLDG 4
Colchester, CT 06415**

(860) 537-9080
hello@odysseyadvisors.com
www.odysseyadvisors.com

September 20, 2023

Personal and Confidential

Ms. Carol Pratt
Finance Director
Town of Medway
155 Village Street
Medway, MA 02053

Re: GASB 74/75 – Summary of Results

Dear Ms. Pratt:

The purpose of this letter is to summarize our actuarial valuation of the Town of Medway Other Postemployment Benefits Plan (the "Plan") for the Reporting Date and Fiscal Year ending June 30, 2023 with a Valuation Date of July 1, 2021 and a Measurement Date of June 30, 2023 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

How did plan liabilities change from FY 22 to FY 23?

The Total OPEB Liability ("TOL") went from \$35,464,161 for the June 30, 2022 Reporting Date to \$37,507,482 for the June 30, 2023 Reporting Date for an increase of \$2,043,321. Below is an exhibit detailing the change.

Change in Total OPEB Liability		
I.	TOL Balance for the June 30, 2022 Reporting Date	35,464,161
II.	Passage of Time (Service Cost, Interest and Payments)	1,329,773
III.	Plan Benefit Changes	0
IV.	Assumption Changes	713,548
V.	Prior Period Adjustment	0
VI.	Expected TOL Balance for June 30, 2023 [I.+II.+III.+IV.+V.]	37,507,482
VII.	Plan Experience	0
VIII.	TOL Balance for the June 30, 2023 Reporting Date [VI.+VII.]	37,507,482

As seen above, various factors cause the liabilities to change over the year. The main factors are:

- ✓ **Plan Experience** – There was no plan experience because this was an interim valuation.
- ✓ **Assumption Changes** - Increased plan liabilities by \$713,548. For details, please see the attached report.
- ✓ **Plan Benefit Changes** - To the best of our knowledge there were no plan benefit changes

If you or your auditors have questions on this report, feel free to give us a call.

Sincerely,



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

Town of Medway OPEB Plan - Summary Exhibit

Valuation Date	July 1, 2021	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2023	June 30, 2022
For the Reporting Period & Fiscal Year ending on:	June 30, 2023	June 30, 2022
I. Total OPEB Liability	37,507,482	35,464,161
II. Fiduciary Net Position [Plan Assets]	2,727,480	2,130,625
III. Net OPEB Liability (Asset) [I. - II.]	34,780,002	33,333,536
IV. Funded Ratio [II. / I.]	7.27%	6.01%
V. Employer OPEB Trust (Contribution)/Withdrawal	(300,000)	(300,000)
VI. Pay-as-you-go Cost	1,503,215	1,341,829
VII. Money Weighted Rate of Return	12.35%	(7.68%)
VIII. Discount Rate	5.53%	5.70%
IX. Crossover Date	2065	2065
X. Actuarially Determined Contribution (ADC)	2,420,173	2,061,714

The discount rate used to measure the Total OPEB liability was 5.53% as of June 30, 2023 and 5.70% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover until Fiscal Year 2065 and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 4.13% as of June 30, 2023. 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.

The Town is projected to be 51.66% funded in 30 years.

The Town is expected to contribute \$300,000 annually beyond pay-as-you-go costs.

Average Premiums:

Active Health Plan (Single coverage):	949.62
Medicare-Supplement Plan (Single coverage):	279.24

For the year ending on the Measurement Date of June 30, 2023, there was no plan experience because this was an interim valuation.

Contributions in relation to past liabilities:	1,503,215
Contributions in relation to current liabilities:	<u>300,000</u>
Total Contributions:	1,803,215

Town of Medway Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2021

As of the Measurement Date:
June 30, 2023

For the Reporting Date:
June 30, 2023

Delivered September 20, 2023



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East Coast
11 Hayward Ave, Building 4
Colchester, CT 06415
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West Coast
1350 E. Flamigo Road, Suite 254
Las Vegas, NV 89119
(702) 979-2880

September 20, 2023

Personal and Confidential

Ms. Carol Pratt
Finance Director
Town of Medway
155 Village Street
Medway, MA 02053

Dear Ms. Pratt:

We have performed an actuarial valuation of the Town of Medway Other Postemployment Benefits Plan for the Reporting Date & Fiscal Year Ending June 30, 2023 with a Measurement Date of June 30, 2023 and a Valuation Date of July 1, 2021. The figures presented in this report reflect the adoption, by the Town of Medway, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

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

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

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

Very truly yours,

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

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

September 20, 2023

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Medway other postemployment benefit programs with a Valuation Date of July 1, 2021 with a Measurement Date of June 30, 2023 for the Reporting Date & Fiscal Year Ending June 30, 2023 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 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 22 to FY 23?

Plan Experience

For the year ending on the Measurement Date of June 30, 2023, there was no plan experience because this was an interim valuation.

Assumption Changes

One key assumption has changed since the prior valuation. The impact of this assumption change increased disclosed liabilities by approximately \$710 thousand, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.70% to 5.53% increasing the disclosed liability by approximately \$710 thousand.

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

Investment Experience

- ✓ During the period investments earned approximately \$160 thousand more than expected.

Changes in Benefit Terms

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

EXECUTIVE SUMMARY

Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 5.39 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

Events Subsequent to the Measurement Date

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

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare supplement) plans – represent 71.96% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 9.00% increase in fiscal year 2023 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (5.53%) – 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

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.13% as of June 30, 2023.
- ✓ Current Asset Level – The Town had \$2,727,480 of OPEB assets as of June 30, 2023.
- ✓ Future Funding Policy – The Town is expected to contribute \$300,000 annually beyond pay-as-you-go costs.
- ✓ Investment Policy – The Town is expected to earn 5.93% per year on assets based on its investment policy.

EXECUTIVE SUMMARY

Low Default Risk Obligation Measure (LDROM)

For purposes of this LDROM, we have used a discount rate of 4.13% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDROM Total OPEB Liability is \$45.1 million vs. the \$37.5 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$8 million. Please note that the ultimate cost of the plan is the actual benefits paid plus expenses and any changes in assumptions, including discount rate, do not impact the actual cost of the plan.

Medicare Buy-In

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

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

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2021	July 1, 2021
Measurement Date & Period Ending	June 30, 2023	June 30, 2022
Reporting Date/Fiscal Year End	June 30, 2023	June 30, 2022
Total OPEB Liability	37,507,482	35,464,161
Per Eligible Active Plan Participant	47,915	46,514
Per Retiree/Spouse Plan Participant	64,089	59,479
Total Annual Service Cost (Annual Benefit Accrual)	807,738	484,577
Per Eligible Active Plan Participant	2,524	1,514
Expected Employer Share of Retiree Costs	1,503,215	1,341,829
Per Retiree/Spouse Plan Participant	4,345	3,878
Net OPEB Liability as a % of Covered Payroll	103.59%	102.26%

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, 2023	365	37,507,482	36,415,031	1,503,215	1,459,432
June 30, 2028	378	43,023,475	36,031,483	2,163,828	1,812,172
June 30, 2033	372	48,263,209	34,866,369	2,543,390	1,837,399
June 30, 2038	351	53,350,910	33,246,523	2,877,887	1,793,404
June 30, 2043	326	59,293,814	31,873,347	3,269,600	1,757,571
June 30, 2048	305	66,642,735	30,901,885	3,571,749	1,656,201
June 30, 2053	294	76,410,190	30,563,094	3,758,416	1,503,318

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, 2024 (Projected)	1,648,929
June 30, 2023	1,503,215
June 30, 2022	1,341,829
June 30, 2021	1,240,317
June 30, 2020	1,164,729
June 30, 2019	1,125,076

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2023 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$34,780,002 assuming a discount rate of 5.53%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$300,000 annually beyond pay-as-you-go costs. The balance of this fund as of June 30, 2023 was \$2,727,480. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Medway Assuming Funding - 5.53% discount rate Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2021	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2023	June 30, 2022
For the Reporting Period & Fiscal Year ending on:	June 30, 2023	June 30, 2022
I. Total OPEB Liability		
A. Actives	15,332,649	14,884,410
B. Retirees/Disabled	<u>22,174,833</u>	<u>20,579,751</u>
C. Total	37,507,482	35,464,161
II. Fiduciary Net Position [Plan Assets]	2,727,480	2,130,625
III. Net OPEB Liability (Asset) [I. - II.]	34,780,002	33,333,536
IV. Funded Ratio [II. / I.]	7.27%	6.01%
V. Number of Eligible Participants		
A. Actives	320	320
B. Retirees/Disabled & Dependents	<u>346</u>	<u>346</u>
C. Total	666	666
VI. Service Cost	807,738	484,577
VII. Financial Statement Expense/(Income)	1,623,552	240,443
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(300,000)	(300,000)
IX. Deferred Inflow of Resources	(2,277,876)	(5,361,058)
X. Deferred Outflow of Resources	7,247,681	8,704,734
XI. Money Weighted Rate of Return	12.35%	(7.68%)
XII. 20-year Municipal Bond Rate (SAPIHG)	4.13%	4.09%
XIII. Expected Long Term Rate of Return (Net of Expense)	5.93%	6.16%
XIV. Crossover Year	2065	2065
XV. Discount Rate	5.53%	5.70%

PRINCIPAL RESULTS OF THE VALUATION

Town of Medway Plan Liabilities as of the June 30, 2023 Measurement Date

	General Government Employees and Retirees	Teacher Employees and Retirees	School Non- Teacher Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Water Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
I. Total OPEB Liability									
A. Actives	1,316,539	9,814,008	950,212	1,830,722	1,049,431	268,683	27,074	75,980	15,332,649
B. Retirees/Disabled	1,231,096	12,723,911	6,101,329	1,658,318	0	385,973	40,869	33,337	22,174,833
C. Total	2,547,635	22,537,919	7,051,541	3,489,040	1,049,431	654,656	67,943	109,317	37,507,482
II. Fiduciary Net Position [Plan Assets]	185,260	1,638,919	512,776	253,717	76,313	47,605	4,941	7,949	2,727,480
III. Net OPEB Liability (Asset) [I. - II.]	2,362,375	20,899,000	6,538,765	3,235,323	973,118	607,051	63,002	101,368	34,780,002
For the Reporting Date and Fiscal Year Ending June 30, 2023									
IV. Service Cost	110,979	447,584	90,889	75,400	63,254	14,695	2,822	2,115	807,738
V. Financial Statement Expense/(Income)	110,621	973,502	248,087	159,578	92,085	30,272	4,604	4,803	1,623,552
VI. Employer Share of Costs	(136,904)	(877,038)	(453,936)	(25,854)	(338)	(5,541)	0	(3,604)	(1,503,215)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(20,378)	(180,267)	(56,401)	(27,907)	(8,394)	(5,236)	(543)	(874)	(300,000)
VIII. Total Employer Contribution [VI. + VII.]	(157,282)	(1,057,305)	(510,337)	(53,761)	(8,732)	(10,777)	(543)	(4,478)	(1,803,215)

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

Funding - 5.53% 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 5.93% return	III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [III. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
2023	June 30, 2023	37,507,482	2,727,480	34,780,002	7.27%	807,738	1,503,215	300,000	1,803,215	1,503,215	0	300,000
2024	June 30, 2024	38,680,607	3,197,986	35,482,621	8.27%	864,996	1,648,929	300,000	1,948,929	1,648,929	0	300,000
2025	June 30, 2025	39,819,739	3,696,393	36,123,346	9.28%	888,512	1,778,529	300,000	2,078,529	1,778,529	0	300,000
2026	June 30, 2026	40,939,972	4,224,356	36,715,616	10.32%	914,923	1,892,933	300,000	2,192,933	1,892,933	0	300,000
2027	June 30, 2027	41,993,471	4,783,627	37,209,844	11.39%	939,855	2,059,670	300,000	2,359,670	2,059,670	0	300,000
2028	June 30, 2028	43,023,475	5,376,063	37,647,412	12.50%	962,997	2,163,828	300,000	2,463,828	2,163,828	0	300,000
2029	June 30, 2029	44,073,911	6,003,630	38,070,281	13.62%	994,830	2,236,760	300,000	2,536,760	2,236,760	0	300,000
2030	June 30, 2030	45,120,328	6,668,412	38,451,916	14.78%	1,023,915	2,335,888	300,000	2,635,888	2,335,888	0	300,000
2031	June 30, 2031	46,162,863	7,372,616	38,790,247	15.97%	1,049,728	2,392,972	300,000	2,692,972	2,392,972	0	300,000
2032	June 30, 2032	47,186,400	8,118,579	39,067,821	17.21%	1,078,890	2,519,723	300,000	2,819,723	2,519,723	0	300,000
2033	June 30, 2033	48,263,209	8,908,778	39,354,431	18.46%	1,103,915	2,543,390	300,000	2,843,390	2,543,390	0	300,000
2034	June 30, 2034	49,313,718	9,745,835	39,567,883	19.76%	1,138,549	2,591,115	300,000	2,891,115	2,591,115	0	300,000
2035	June 30, 2035	50,208,720	10,632,530	39,576,190	21.18%	1,168,238	2,695,231	300,000	2,995,231	2,695,231	0	300,000
2036	June 30, 2036	51,353,720	11,571,806	39,781,914	22.53%	1,200,747	2,737,909	300,000	3,037,909	2,737,909	0	300,000
2037	June 30, 2037	52,364,407	12,566,781	39,797,626	24.00%	1,239,130	2,764,728	300,000	3,064,728	2,764,728	0	300,000
2038	June 30, 2038	53,350,910	13,620,758	39,730,152	25.53%	1,273,840	2,877,887	300,000	3,177,887	2,877,887	0	300,000
2039	June 30, 2039	54,497,148	14,737,236	39,759,912	27.04%	1,311,369	2,963,802	300,000	3,263,802	2,963,802	0	300,000
2040	June 30, 2040	55,568,961	15,919,921	39,649,040	28.65%	1,352,485	3,072,379	300,000	3,372,379	3,072,379	0	300,000
2041	June 30, 2041	56,712,478	17,172,739	39,539,739	30.28%	1,393,489	3,123,588	300,000	3,423,588	3,123,588	0	300,000
2042	June 30, 2042	58,050,385	18,499,849	39,550,536	31.87%	1,438,851	3,151,649	300,000	3,451,649	3,151,649	0	300,000
2043	June 30, 2043	59,293,814	19,905,657	39,388,157	33.57%	1,484,984	3,269,600	300,000	3,569,600	3,269,600	0	300,000
2044	June 30, 2044	60,693,085	21,394,829	39,298,256	35.25%	1,530,790	3,298,329	300,000	3,598,329	3,298,329	0	300,000
2045	June 30, 2045	62,120,403	22,972,309	39,148,094	36.98%	1,581,789	3,377,821	300,000	3,677,821	3,377,821	0	300,000
2046	June 30, 2046	63,488,428	24,643,334	38,845,094	38.82%	1,632,820	3,483,338	300,000	3,783,338	3,483,338	0	300,000
2047	June 30, 2047	65,059,501	26,413,451	38,646,050	40.60%	1,685,931	3,534,713	300,000	3,834,713	3,534,713	0	300,000
2048	June 30, 2048	66,642,735	28,288,536	38,354,199	42.45%	1,745,579	3,571,749	300,000	3,871,749	3,571,749	0	300,000
2049	June 30, 2049	68,441,646	30,274,813	38,166,833	44.23%	1,802,714	3,606,512	300,000	3,906,512	3,606,512	0	300,000
2050	June 30, 2050	70,332,523	32,378,876	37,953,647	46.04%	1,869,766	3,637,494	300,000	3,937,494	3,637,494	0	300,000
2051	June 30, 2051	72,198,849	34,607,710	37,591,139	47.93%	1,934,814	3,644,337	300,000	3,944,337	3,644,337	0	300,000
2052	June 30, 2052	74,315,555	36,968,714	37,346,841	49.75%	2,003,254	3,682,954	300,000	3,982,954	3,682,954	0	300,000
2053	June 30, 2053	76,410,190	39,469,726	36,940,464	51.66%	2,074,366	3,758,416	300,000	4,058,416	3,758,416	0	300,000

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 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, 2023	
Description	Amount
I. Service Cost	807,738
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	2,025,250
III. Deferred (Inflows)/Outflows from Plan Experience*	(1,094,760)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	59,378
V. Projected Earnings on OPEB Plan Investments	(140,351)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(33,703)
VII. OPEB Plan Administrative Expense	0
VIII. Other Changes in Fiduciary Net Position	0
IX. Financial Statement Expense/(Income) Prior to Plan Design Changes [I. + II.+ ... + VII. + VIII.]	1,623,552
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	1,623,552

* Amortized over 5.39 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2023 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, 2022 Reporting Date	35,464,161	2,130,625	33,333,536
II. Prior Period Adjustment	0	0	0
III. Balances for the June 30, 2022 Reporting Date with Adjustment [I. + II.]	35,464,161	2,130,625	33,333,536
Changes for the year:			
IV. Service Cost	807,738	0	807,738
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,025,250	0	2,025,250
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	713,548	0	713,548
VIII. Differences Between Actual and Expected Experience **	0	0	0
IX. Net Investment Income	0	296,855	(296,855)
X. Employer Contributions to Trust	0	1,803,215	(1,803,215)
XI. Benefit Payments Withdrawn from Trust	0	(1,503,215)	1,503,215
XII. Benefit Payments Excluding Implicit Cost	(975,042)	0	(975,042)
XIII. Implicit Cost Amount	(528,173)	0	(528,173)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(1,503,215)	0	(1,503,215)
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.]	2,043,321	596,855	1,446,466
XVIII. Balances for the June 30, 2023 Reporting Date [III.+XVII.]	37,507,482	2,727,480	34,780,002

* Recognized Immediately

** Amortized over 5.39 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 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	2023	2024	2025	2026	2027	2028
2017									
2018	(2,445,897)	5.00	0						
2019	0	5.00	0	0					
2020	(8,229,244)	5.23	(1,935,367)	(1,573,469)	(1,573,469)	(361,898)			
2021	0	5.23	0	0	0	0	0		
2022	2,580,242	5.39	1,622,824	478,709	478,709	478,709	478,709	186,697	
2023	0	5.39	0	0	0	0	0	0	0
2024									
2025									
2026									
Total Remaining Balance			(312,543)						
Net increase (decrease) in OPEB Expense				(1,094,760)	(1,094,760)	116,811	478,709	186,697	0

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	2023	2024	2025	2026	2027	2028
2017									
2018	0	5.00	0						
2019	(6,619,542)	5.00	0	(1,323,910)					
2020	(1,239,039)	5.23	(291,403)	(236,909)	(236,909)	(54,494)			
2021	0	5.23	0	0	0	0	0		
2022	8,019,320	5.39	5,043,692	1,487,814	1,487,814	1,487,814	1,487,814	580,250	
2023	713,548	5.39	581,165	132,383	132,383	132,383	132,383	132,383	51,633
2024									
2025									
2026									
Total Remaining Balance			5,333,454						
Net increase (decrease) in OPEB Expense				59,378	1,383,288	1,565,703	1,620,197	712,633	51,633

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2023 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	2023	2024	2025	2026	2027	2028
2017									
2018	8,901	5.00	0						
2019	(49,404)	5.00	0	(9,879)					
2020	25,158	5.00	5,030	5,032	5,030				
2021	(308,666)	5.00	(123,467)	(61,733)	(61,733)	(61,734)			
2022	320,889	5.00	192,535	64,177	64,177	64,177	64,181		
2023	(156,504)	5.00	(125,204)	(31,300)	(31,300)	(31,300)	(31,300)	(31,304)	
2024									
2025									
2026									
Total Remaining Balance			(51,106)						
Net increase (decrease) in OPEB Expense				(33,703)	(23,826)	(28,857)	32,881	(31,304)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2023 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2023 to be Reported for the Fiscal Year Ending June 30, 2023			
	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	1,622,824	(1,935,367)	(312,543)
III. Changes of Assumptions	5,624,857	(291,403)	5,333,454
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(51,106)	(51,106)
VI. Total [I. + II. + III. + IV.]	7,247,681	(2,277,876)	4,969,805

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows		
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2023 will be recognized in future years as shown below.		
	Year ending June 30:	
	2024	264,702
	2025	1,653,657
	2026	2,131,787
	2027	868,026
	2028	51,633
	Thereafter	0

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 5.53% as of June 30, 2023 and 5.70% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover until Fiscal Year 2065 and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 4.13% as of June 30, 2023. 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, 2023 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, 2023 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$1,503,215. The Town also contributed \$300,000 to an OPEB Trust for a total contribution during the measurement period of \$1,803,215 to be reported on the financial statement for the fiscal year ending June 30, 2023.

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	53.75%	Domestic Equity - Large Cap	4.10%
Domestic Equity - Small/Mid Cap	7.00%	Domestic Equity - Small/Mid Cap	4.55%
International Equity - Developed Market	7.75%	International Equity - Developed Market	4.64%
International Equity - Emerging Market	4.25%	International Equity - Emerging Market	5.45%
Domestic Fixed Income	18.75%	Domestic Fixed Income	1.05%
International Fixed Income	0.00%	International Fixed Income	0.96%
Alternatives	3.25%	Alternatives	5.95%
Real Estate	2.75%	Real Estate	6.25%
Cash	2.50%	Cash	0.00%
Total	100.00%		
		I. Real Rate of Return	3.68%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.18%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	5.93%

* Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2023 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, 2023	2,420,173	(1,803,215)	616,958	33,573,700	5.37%
June 30, 2022	2,061,714	(1,641,829)	419,885	32,595,825	5.04%
June 30, 2021	1,617,705	(1,540,317)	77,388	26,896,466	5.73%
June 30, 2020	2,042,707	(1,464,729)	577,978	26,113,074	5.61%
June 30, 2019	2,737,990	(1,425,076)	1,312,914	21,905,476	6.51%
June 30, 2018	3,230,615	(1,156,137)	2,074,478	21,267,452	5.44%
June 30, 2017	3,685,435	(1,254,410)	2,431,025	19,593,907	6.40%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate on NOL as of the June 30, 2023 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	30,130,793	34,780,002	40,529,915

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate on NOL as of the June 30, 2023 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	40,020,935	5.53%	30,527,575

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2022	2,130,625	12	1.0000
Monthly net external cash flows:			
July	300,000	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	<u>0</u>	<u>0.0000</u>
II. Total net external cash flow	300,000		
III. Earnings and increase in fair value	296,855		
IV. Ending value - June 30, 2023 [I.+II.+III.]	2,727,480		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2023 [IV.+V.]	2,727,480		
Money Weighted Rate of Return	12.35%		

EXHIBIT A
FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2023 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2023								Total
	General Government Employees and Retirees	Teacher Employees and Retirees	School Non-Teacher Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Water Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	
I. Total OPEB Liability as of June 30, 2023	2,547,635	22,537,919	7,051,541	3,489,040	1,049,431	654,656	67,943	109,317	37,507,482
II. Fiduciary Net Position as of June 30, 2023	185,260	1,638,919	512,776	253,717	76,313	47,605	4,941	7,949	2,727,480
III. Net OPEB Liability (Asset) as of June 30, 2023 [I. - II.]	2,362,375	20,899,000	6,538,765	3,235,323	973,118	607,051	63,002	101,368	34,780,002
IV. Service Cost	110,979	447,584	90,889	75,400	63,254	14,695	2,822	2,115	807,738
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	81,567	1,252,805	384,582	196,716	62,697	36,693	3,975	6,215	2,025,250
VI. Projected Earnings on OPEB Plan Investments	(9,310)	(84,483)	(26,392)	(13,089)	(3,954)	(2,456)	(256)	(411)	(140,351)
VII. Net Recognition of Deferred (Inflows)/Outflows	(72,615)	(642,404)	(200,992)	(99,449)	(29,912)	(18,660)	(1,937)	(3,116)	(1,069,085)
VIII. OPEB Plan Administrative Expense	0	0	0	0	0	0	0	0	0
IX. Expense Related to Change in Benefit Terms	0	0	0	0	0	0	0	0	0
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	110,621	973,502	248,087	159,578	92,085	30,272	4,604	4,803	1,623,552
XI. Employer Share of Costs	(136,904)	(877,038)	(453,936)	(25,854)	(338)	(5,541)	0	(3,604)	(1,503,215)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(20,378)	(180,267)	(56,401)	(27,907)	(8,394)	(5,236)	(543)	(874)	(300,000)
XIII. Total Employer Contribution [XI. + XII.]	(157,282)	(1,057,305)	(510,337)	(53,761)	(8,732)	(10,777)	(543)	(4,478)	(1,803,215)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(46,661)	(83,803)	(262,250)	105,817	83,353	19,495	4,061	325	(179,663)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2023 Measurement Date)

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

Valuation Date	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2023
For the Reporting Period & Fiscal Year ending on:	June 30, 2023

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(312,543)
II. Deferred (Inflow)/Outflow from Investment Experience	(51,106)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	5,333,454

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	8,899,813
II. Deferred Outflow created during the period	713,548
III. Deferred Outflow recognized during the period	2,168,115
IV. Change in Deferred Outflow (II. - III.)	(1,454,567)
V. Deferred Outflow at end of the period (I. + IV.)	7,445,246
VI. Deferred Inflow at the beginning of the period	(5,556,137)
VII. Deferred Inflow created during the period	(156,504)
VIII. Deferred Inflow recognized during the period	(3,237,200)
IX. Change in Deferred Inflow (VII. - VIII.)	3,080,696
X. Deferred Inflow at end of the period (VI. + IX.)	(2,475,441)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	33,333,536
II. Service Cost	807,738
III. Interest on Total OPEB Liability, Service Cost, and Payments	2,025,250
IV. Projected Investment Income	(140,351)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(1,803,215)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	889,422
IX. Deferred Outflow created during the period	713,548
X. Deferred Inflow created during the period	(156,504)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	34,780,002

Net OPEB Expense	
I. Service Cost	807,738
II. Interest on Total OPEB Liability, Service Cost, and Payments	2,025,250
III. Projected Investment Income	(140,351)
IV. Recognition of Deferred (Inflow)/Outflow	(1,069,085)
V. OPEB Plan Administrative Expense	0
VI. Expense Related to Change in Benefit Terms	0
VII. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V. + VI.)	1,623,552
VIII. Benefit Payments	(1,503,215)
IX. Contributions to Trust	(300,000)
X. Total Employer Payments (VIII. + IX.)	(1,803,215)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	(179,663)

EXHIBIT A
REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2023 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
For the Reporting Period & Fiscal Year Ending on:	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB Liability	37,507,482	35,464,161	24,162,701	23,422,424	32,085,294
I. Service Cost	807,738	484,577	467,429	451,964	859,147
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,025,250	1,559,150	1,513,165	1,518,178	1,780,917
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	0	2,580,242	0	(8,229,244)	0
V. Changes of Assumptions	713,548	8,019,320	0	(1,239,039)	(6,619,542)
VI. Benefit Payments Excluding Implicit Cost	(975,042)	(857,494)	(829,652)	(774,231)	(964,184)
VII. Implicit Cost Amount	(528,173)	(484,335)	(410,665)	(390,498)	(160,892)
VIII. Total Benefit Payments	(1,503,215)	(1,341,829)	(1,240,317)	(1,164,729)	(1,125,076)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	2,043,321	11,301,460	740,277	(8,662,870)	(5,104,554)
XI. Total OPEB Liability - Beginning of Period	35,464,161	24,162,701	23,422,424	32,085,294	37,189,848
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	35,464,161	24,162,701	23,422,424	32,085,294	37,189,848
XIV. Total OPEB Liability - End of Period [XIII.+XIV.]	37,507,482	35,464,161	24,162,701	23,422,424	32,085,294
Plan Fiduciary Net Position	2,727,480	2,130,625	2,005,797	1,299,187	949,321
XV. Earnings from Plan Investments	296,855	(175,172)	406,610	49,866	94,569
XVI. Employer Contribution to Trust	1,803,215	1,641,829	1,540,317	1,464,729	1,425,076
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,503,215)	(1,341,829)	(1,240,317)	(1,164,729)	(1,125,076)
XVIII. Administrative Expense	0	0	0	0	0
XIX. Other	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	596,855	124,828	706,610	349,866	394,569
XXI. Plan Fiduciary Net Position - Beginning of Period	2,130,625	2,005,797	1,299,187	949,321	554,752
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	2,130,625	2,005,797	1,299,187	949,321	554,752
XXIV. Plan Fiduciary Net Position - End of Period [XXIII.+XXIV.]	2,727,480	2,130,625	2,005,797	1,299,187	949,321
XXV. Net OPEB Liability [XIV.-XXIV.]	34,780,002	33,333,536	22,156,904	22,123,237	31,135,973
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	7.27%	6.01%	8.30%	5.55%	2.96%
XXVII. Covered Employee Payroll	33,573,700	32,595,825	26,896,466	26,113,074	21,905,476
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	103.59%	102.26%	82.38%	N/A	142.14%
Single Discount Rate to Calculate Plan Liabilities	5.53%	5.70%	6.50%	6.50%	4.75%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION (As of the June 30, 2023 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios		
Valuation Date	July 1, 2017	July 1, 2015
Measurement Date	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2018	June 30, 2017
Total OPEB Liability	37,189,848	40,417,485
I. Service Cost	1,131,121	1,736,589
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,275,640	1,288,949
III. Changes in Benefit Terms	0	0
IV. Difference Between Expected & Actual Plan Experience	(4,578,261)	0
V. Changes of Assumptions	0	0
VI. Benefit Payments Excluding Implicit Cost	N/A	N/A
VII. Implicit Cost Amount	N/A	N/A
VIII. Total Benefit Payments	(1,056,137)	(1,054,410)
IX. Other	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(3,227,637)	1,971,128
XI. Total OPEB Liability - Beginning of Period	40,417,485	38,446,357
XII. Prior Period Adjustment	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	40,417,485	38,446,357
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	37,189,848	40,417,485
Plan Fiduciary Net Position	554,752	452,004
XV. Earnings from Plan Investments	2,748	740
XVI. Employer Contribution to Trust	1,156,137	1,154,410
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,056,137)	(1,054,410)
XVIII. Administrative Expense	0	0
XIX. Other	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	102,748	100,740
XXI. Plan Fiduciary Net Position - Beginning of Period	452,004	351,264
XXII. Prior Period Adjustment	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	452,004	351,264
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	554,752	452,004
XXV. Net OPEB Liability [XIV.-XXIV.]	36,635,096	39,965,481
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	1.49%	1.12%
XXVII. Covered Employee Payroll	21,267,452	19,593,907
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	172.26%	203.97%
Single Discount Rate to Calculate Plan Liabilities	3.50%	3.25%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 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 2023 and future years we have used a 30-year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)					
For the Fiscal Year Ending:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
I. Service Cost	807,738	484,577	467,429	451,964	859,147
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>1,612,435</u>	<u>1,577,137</u>	<u>1,150,276</u>	<u>1,590,743</u>	<u>1,878,843</u>
III. Actuarial Determined Contribution [I. + II.]	2,420,173	2,061,714	1,617,705	2,042,707	2,737,990
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(1,803,215)</u>	<u>(1,641,829)</u>	<u>(1,540,317)</u>	<u>(1,464,729)</u>	<u>(1,425,076)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>616,958</u>	<u>419,885</u>	<u>77,388</u>	<u>577,978</u>	<u>1,312,914</u>
Covered Employee Payroll	33,573,700	32,595,825	26,896,466	26,113,074	21,905,476
Contributions as a % of Covered Employee Payroll	5.37%	5.04%	5.73%	5.61%	6.51%
Discount Rate	5.53%	5.70%	6.50%	6.50%	4.75%
Money Weighted Rate of Return	12.35%	(7.68%)	25.87%	4.07%	11.41%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 Measurement Date)

Actuarially Determined Contribution - Deficiency / (Excess) (Continued)		
<u>For the Fiscal Year Ending:</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	1,131,121	1,736,589
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>2,099,494</u>	<u>1,948,846</u>
III. Actuarial Determined Contribution [I. + II.]	3,230,615	3,685,435
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(1,156,137)</u>	<u>(1,254,410)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>2,074,478</u>	<u>2,431,025</u>
Covered Employee Payroll	21,267,452	19,593,907
Contributions as a % of Covered Employee Payroll	5.44%	6.40%
Discount Rate	3.50%	3.25%
Money Weighted Rate of Return	0.55%	0.00%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 Measurement Date)

Actuarially Determined Contribution – by Function:

	Fiscal Year Ending June 30, 2023								
	General	Teacher	School Non-	Police		Water	Sewer	Solid Waste	
	Government	Teacher	Teacher	Police	Fire Employees	Enterprise	Enterprise	Enterprise	
	Employees and	Employees and	Employees and	Employees and	and Retirees	Employees and	Employees and	Employees and	Total
	Retirees	Retirees	Retirees	Retirees		Retirees	Retirees	Retirees	
I. Service Cost	110,979	447,584	90,889	75,400	63,254	14,695	2,822	2,115	807,738
II. 30 Year Amortization of NOL Increasing by 3.00% per year	109,521	968,898	303,144	149,993	45,115	28,143	2,921	4,700	1,612,435
III. Actuarial Determined Contribution [I. + II.]	220,500	1,416,482	394,033	225,393	108,369	42,838	5,743	6,815	2,420,173
IV. Employer Share of Costs (Including Implicit Cost)	(136,904)	(877,038)	(453,936)	(25,854)	(338)	(5,541)	0	(3,604)	(1,503,215)
V. Employer OPEB Trust (Contribution)/Withdrawal	(20,378)	(180,267)	(56,401)	(27,907)	(8,394)	(5,236)	(543)	(874)	(300,000)
VI. Total Employer Contribution [IV. + V.]	(157,282)	(1,057,305)	(510,337)	(53,761)	(8,732)	(10,777)	(543)	(4,478)	(1,803,215)
VII. Contribution Deficiency / (Excess) [III. + VI.]	63,218	359,177	(116,304)	171,632	99,637	32,061	5,200	2,337	616,958

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2021.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2023.

Actuarial Assumptions:

Investment Rate of Return:	5.93%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	4.13% as of June 30, 2023 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	5.53%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2023 and for future periods
Salary Increases:	3.00% annually as of June 30, 2023 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 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, 2023 Measurement Date)

Plan Membership

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

Retirees & Beneficiaries:	346
Actives:	<u>320</u>
Total:	666

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, 2022 to June 30, 2023

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.70% to 5.53%.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$300,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2023 Measurement Date. For the year ending on the June 30, 2023 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$1,503,215. \$528,173 of the \$1,503,215 represents implicit cost.

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2023 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, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2023	33,573,700	0	33,573,700	0	1,503,215	0	1,503,215
June 30, 2024	31,253,037	3,327,874	34,580,911	0	1,648,929	0	1,648,929
June 30, 2025	29,333,723	6,284,615	35,618,338	0	1,778,529	0	1,778,529
June 30, 2026	27,698,345	8,988,543	36,686,888	0	1,892,933	0	1,892,933
June 30, 2027	26,407,124	11,380,371	37,787,495	0	2,059,670	0	2,059,670
June 30, 2028	25,168,498	13,752,622	38,921,120	0	2,163,828	0	2,163,828
June 30, 2029	23,774,692	16,314,062	40,088,754	0	2,236,760	0	2,236,760
June 30, 2030	22,748,661	18,542,756	41,291,417	0	2,335,888	0	2,335,888
June 30, 2031	21,724,366	20,805,794	42,530,160	0	2,392,972	0	2,392,972
June 30, 2032	20,644,543	23,161,522	43,806,065	0	2,519,723	0	2,519,723
June 30, 2033	19,667,082	25,453,165	45,120,247	0	2,534,846	8,544	2,543,390
June 30, 2034	18,525,883	27,947,971	46,473,854	0	2,568,068	23,047	2,591,115
June 30, 2035	17,618,663	30,249,407	47,868,070	0	2,652,126	43,105	2,695,231
June 30, 2036	16,695,058	32,609,054	49,304,112	0	2,665,423	72,486	2,737,909
June 30, 2037	15,840,708	34,942,527	50,783,235	0	2,655,238	109,490	2,764,728
June 30, 2038	15,124,825	37,181,907	52,306,732	0	2,747,994	129,893	2,877,887
June 30, 2039	14,387,517	39,488,417	53,875,934	0	2,808,315	155,487	2,963,802
June 30, 2040	13,718,818	41,773,394	55,492,212	0	2,886,878	185,501	3,072,379
June 30, 2041	13,074,499	44,082,479	57,156,978	0	2,920,109	203,479	3,123,588
June 30, 2042	12,440,549	46,431,138	58,871,687	0	2,926,582	225,067	3,151,649
June 30, 2043	11,882,877	48,754,961	60,637,838	0	3,005,448	264,152	3,269,600
June 30, 2044	11,412,696	51,044,277	62,456,973	0	2,980,964	317,365	3,298,329
June 30, 2045	10,863,613	53,467,069	64,330,682	0	2,992,374	385,447	3,377,821
June 30, 2046	10,337,724	55,922,878	66,260,602	0	3,008,259	475,079	3,483,338
June 30, 2047	9,780,093	58,468,327	68,248,420	0	2,954,643	580,070	3,534,713
June 30, 2048	9,182,312	61,113,561	70,295,873	0	2,918,977	652,772	3,571,749
June 30, 2049	8,705,788	63,698,961	72,404,749	0	2,871,023	735,489	3,606,512
June 30, 2050	8,078,309	66,498,582	74,576,891	0	2,807,991	829,503	3,637,494
June 30, 2051	7,568,105	69,246,093	76,814,198	0	2,745,542	898,795	3,644,337
June 30, 2052	6,954,903	72,163,721	79,118,624	0	2,707,668	975,286	3,682,954
June 30, 2053	6,302,525	75,189,658	81,492,183	0	2,682,998	1,075,418	3,758,416
June 30, 2054	5,667,537	78,269,411	83,936,948	0	2,647,509	1,185,803	3,833,312
June 30, 2055	5,059,896	81,395,160	86,455,056	0	2,561,936	1,311,483	3,873,419
June 30, 2056	4,473,637	84,575,071	89,048,708	0	2,562,556	1,456,761	4,019,317
June 30, 2057	3,941,711	87,778,458	91,720,169	0	2,537,793	1,611,773	4,149,566
June 30, 2058	3,361,532	91,110,242	94,471,774	0	2,440,404	1,752,342	4,192,746
June 30, 2059	2,833,864	94,472,063	97,305,927	0	2,327,734	1,899,615	4,227,349
June 30, 2060	2,315,865	97,909,240	100,225,105	0	2,225,184	2,056,973	4,282,157
June 30, 2061	1,804,115	101,427,743	103,231,858	0	2,110,710	2,208,330	4,319,040
June 30, 2062	1,415,571	104,913,243	106,328,814	0	2,032,786	2,364,086	4,396,872

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2063	1,060,802	108,457,876	109,518,678	0	1,958,821	2,545,835	4,504,656
June 30, 2064	801,871	112,002,367	112,804,238	0	1,886,276	2,740,126	4,626,402
June 30, 2065	537,190	115,651,175	116,188,365	0	1,874,515	2,951,719	4,826,234
June 30, 2066	329,096	119,344,920	119,674,016	0	1,833,196	3,186,999	5,020,195
June 30, 2067	173,122	123,091,114	123,264,236	0	1,781,895	3,435,809	5,217,704
June 30, 2068	111,715	126,850,448	126,962,163	0	1,757,945	3,680,275	5,438,220
June 30, 2069	47,067	130,723,961	130,771,028	0	1,740,303	3,936,420	5,676,723
June 30, 2070	0	134,694,159	134,694,159	0	1,715,361	4,204,882	5,920,243
June 30, 2071	0	138,734,984	138,734,984	0	1,687,483	4,465,728	6,153,211
June 30, 2072	0	142,897,034	142,897,034	0	1,655,774	4,735,312	6,391,086
June 30, 2073	0	147,183,945	147,183,945	0	1,615,871	5,020,888	6,636,759
June 30, 2074	0	151,599,463	151,599,463	0	1,579,464	5,315,670	6,895,134
June 30, 2075	0	156,147,447	156,147,447	0	1,534,063	5,621,463	7,155,526
June 30, 2076	0	160,831,870	160,831,870	0	1,484,927	5,940,423	7,425,350
June 30, 2077	0	165,656,826	165,656,826	0	1,432,033	6,268,001	7,700,034
June 30, 2078	0	170,626,531	170,626,531	0	1,375,620	6,613,178	7,988,798
June 30, 2079	0	175,745,327	175,745,327	0	1,319,341	6,966,755	8,286,096
June 30, 2080	0	181,017,687	181,017,687	0	1,253,479	7,330,280	8,583,759
June 30, 2081	0	186,448,218	186,448,218	0	1,189,455	7,707,270	8,896,725
June 30, 2082	0	192,041,665	192,041,665	0	1,120,015	8,092,150	9,212,165
June 30, 2083	0	197,802,915	197,802,915	0	1,046,566	8,491,137	9,537,703
June 30, 2084	0	203,737,002	203,737,002	0	973,733	8,903,450	9,877,183
June 30, 2085	0	209,849,112	209,849,112	0	895,487	9,326,724	10,222,211
June 30, 2086	0	216,144,585	216,144,585	0	820,613	9,765,685	10,586,298
June 30, 2087	0	222,628,923	222,628,923	0	747,867	10,220,239	10,968,106
June 30, 2088	0	229,307,791	229,307,791	0	674,860	10,693,040	11,367,900
June 30, 2089	0	236,187,025	236,187,025	0	604,620	11,180,177	11,784,797
June 30, 2090	0	243,272,636	243,272,636	0	537,600	11,682,773	12,220,373
June 30, 2091	0	250,570,815	250,570,815	0	474,183	12,204,782	12,678,965
June 30, 2092	0	258,087,939	258,087,939	0	414,635	12,743,083	13,157,718
June 30, 2093	0	265,830,577	265,830,577	0	359,211	13,298,034	13,657,245
June 30, 2094	0	273,805,494	273,805,494	0	308,128	13,873,270	14,181,398
June 30, 2095	0	282,019,659	282,019,659	0	261,470	14,466,934	14,728,404
June 30, 2096	0	290,480,249	290,480,249	0	219,327	15,081,811	15,301,138
June 30, 2097	0	299,194,656	299,194,656	0	181,685	15,719,712	15,901,397

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2023	2,130,625	1,503,215	300,000	1,803,215	0	1,503,215	1,503,215	296,855	2,727,480
June 30, 2024	2,727,480	1,648,929	271,130	1,920,059	0	1,648,929	1,648,929	154,097	3,152,707
June 30, 2025	3,152,707	1,778,529	247,067	2,025,596	0	1,778,529	1,778,529	194,176	3,593,950
June 30, 2026	3,593,950	1,892,933	226,498	2,119,431	0	1,892,933	1,892,933	219,740	4,040,188
June 30, 2027	4,040,188	2,059,670	209,650	2,269,320	0	2,059,670	2,059,670	245,710	4,495,548
June 30, 2028	4,495,548	2,163,828	193,996	2,357,824	0	2,163,828	2,163,828	272,255	4,961,799
June 30, 2029	4,961,799	2,236,760	177,915	2,414,675	0	2,236,760	2,236,760	299,434	5,439,148
June 30, 2030	5,439,148	2,335,888	165,279	2,501,167	0	2,335,888	2,335,888	327,371	5,931,798
June 30, 2031	5,931,798	2,392,972	153,240	2,546,212	0	2,392,972	2,392,972	356,234	6,441,272
June 30, 2032	6,441,272	2,519,723	141,381	2,661,104	0	2,519,723	2,519,723	386,099	6,968,752
June 30, 2033	6,968,752	2,534,846	130,764	2,665,610	0	2,543,390	2,543,390	417,068	7,508,040
June 30, 2034	7,508,040	2,568,068	119,589	2,687,657	0	2,591,115	2,591,115	448,722	8,053,304
June 30, 2035	8,053,304	2,652,126	110,420	2,762,546	0	2,695,231	2,695,231	480,788	8,601,407
June 30, 2036	8,601,407	2,665,423	101,584	2,767,007	0	2,737,909	2,737,909	513,032	9,143,537
June 30, 2037	9,143,537	2,655,238	93,578	2,748,816	0	2,764,728	2,764,728	544,946	9,672,571
June 30, 2038	9,672,571	2,747,994	86,747	2,834,741	0	2,877,887	2,877,887	576,118	10,205,543
June 30, 2039	10,205,543	2,808,315	80,115	2,888,430	0	2,963,802	2,963,802	607,530	10,737,701
June 30, 2040	10,737,701	2,886,878	74,166	2,961,044	0	3,072,379	3,072,379	638,913	11,265,279
June 30, 2041	11,265,279	2,920,109	68,624	2,988,733	0	3,123,588	3,123,588	670,036	11,800,460
June 30, 2042	11,800,460	2,926,582	63,395	2,989,977	0	3,151,649	3,151,649	701,620	12,340,408
June 30, 2043	12,340,408	3,005,448	58,789	3,064,237	0	3,269,600	3,269,600	733,504	12,868,549
June 30, 2044	12,868,549	2,980,964	54,819	3,035,783	0	3,298,329	3,298,329	764,707	13,370,710
June 30, 2045	13,370,710	2,992,374	50,661	3,043,035	0	3,377,821	3,377,821	794,364	13,830,288
June 30, 2046	13,830,288	3,008,259	46,805	3,055,064	0	3,483,338	3,483,338	821,504	14,223,518
June 30, 2047	14,223,518	2,954,643	42,990	2,997,633	0	3,534,713	3,534,713	844,711	14,531,149
June 30, 2048	14,531,149	2,918,977	39,187	2,958,164	0	3,571,749	3,571,749	862,842	14,780,406
June 30, 2049	14,780,406	2,871,023	36,071	2,907,094	0	3,606,512	3,606,512	877,532	14,958,520
June 30, 2050	14,958,520	2,807,991	32,497	2,840,488	0	3,637,494	3,637,494	887,990	15,049,504
June 30, 2051	15,049,504	2,745,542	29,557	2,775,099	0	3,644,337	3,644,337	893,299	15,073,565
June 30, 2052	15,073,565	2,707,668	26,371	2,734,039	0	3,682,954	3,682,954	894,633	15,019,283
June 30, 2053	15,019,283	2,682,998	23,202	2,706,200	0	3,758,416	3,758,416	891,322	14,858,389
June 30, 2054	14,858,389	2,647,509	20,256	2,667,765	0	3,833,312	3,833,312	881,694	14,574,536
June 30, 2055	14,574,536	2,561,936	17,558	2,579,494	0	3,873,419	3,873,419	864,783	14,145,394
June 30, 2056	14,145,394	2,562,556	15,071	2,577,627	0	4,019,317	4,019,317	839,262	13,542,966
June 30, 2057	13,542,966	2,537,793	12,893	2,550,686	0	4,149,566	4,149,566	803,475	12,747,561
June 30, 2058	12,747,561	2,440,404	10,675	2,451,079	0	4,192,746	4,192,746	756,242	11,762,136
June 30, 2059	11,762,136	2,327,734	8,737	2,336,471	0	4,227,349	4,227,349	697,750	10,569,008
June 30, 2060	10,569,008	2,225,184	6,932	2,232,116	0	4,282,157	4,282,157	626,945	9,145,912
June 30, 2061	9,145,912	2,110,710	5,243	2,115,953	0	4,319,040	4,319,040	542,506	7,485,331
June 30, 2062	7,485,331	2,032,786	3,994	2,036,780	0	4,396,872	4,396,872	443,997	5,569,236

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [III. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2063	5,569,236	1,958,821	2,906	1,961,727	0	4,504,656	4,504,656	330,341	3,356,648
June 30, 2064	3,356,648	1,886,276	2,133	1,888,409	0	4,626,402	4,626,402	199,112	817,767
June 30, 2065	817,767	1,874,515	1,387	1,875,902	0	4,826,234	4,826,234	48,534	0
June 30, 2066	0	1,833,196	825	1,834,021	0	5,020,195	5,020,195	24	0
June 30, 2067	0	1,781,895	421	1,782,316	0	5,217,704	5,217,704	12	0
June 30, 2068	0	1,757,945	264	1,758,209	0	5,438,220	5,438,220	8	0
June 30, 2069	0	1,740,303	108	1,740,411	0	5,676,723	5,676,723	3	0
June 30, 2070	0	1,715,361	0	1,715,361	0	5,920,243	5,920,243	0	0
June 30, 2071	0	1,687,483	0	1,687,483	0	6,153,211	6,153,211	0	0
June 30, 2072	0	1,655,774	0	1,655,774	0	6,391,086	6,391,086	0	0
June 30, 2073	0	1,615,871	0	1,615,871	0	6,636,759	6,636,759	0	0
June 30, 2074	0	1,579,464	0	1,579,464	0	6,895,134	6,895,134	0	0
June 30, 2075	0	1,534,063	0	1,534,063	0	7,155,526	7,155,526	0	0
June 30, 2076	0	1,484,927	0	1,484,927	0	7,425,350	7,425,350	0	0
June 30, 2077	0	1,432,033	0	1,432,033	0	7,700,034	7,700,034	0	0
June 30, 2078	0	1,375,620	0	1,375,620	0	7,988,798	7,988,798	0	0
June 30, 2079	0	1,319,341	0	1,319,341	0	8,286,096	8,286,096	0	0
June 30, 2080	0	1,253,479	0	1,253,479	0	8,583,759	8,583,759	0	0
June 30, 2081	0	1,189,455	0	1,189,455	0	8,896,725	8,896,725	0	0
June 30, 2082	0	1,120,015	0	1,120,015	0	9,212,165	9,212,165	0	0
June 30, 2083	0	1,046,566	0	1,046,566	0	9,537,703	9,537,703	0	0
June 30, 2084	0	973,733	0	973,733	0	9,877,183	9,877,183	0	0
June 30, 2085	0	895,487	0	895,487	0	10,222,211	10,222,211	0	0
June 30, 2086	0	820,613	0	820,613	0	10,586,298	10,586,298	0	0
June 30, 2087	0	747,867	0	747,867	0	10,968,106	10,968,106	0	0
June 30, 2088	0	674,860	0	674,860	0	11,367,900	11,367,900	0	0
June 30, 2089	0	604,620	0	604,620	0	11,784,797	11,784,797	0	0
June 30, 2090	0	537,600	0	537,600	0	12,220,373	12,220,373	0	0
June 30, 2091	0	474,183	0	474,183	0	12,678,965	12,678,965	0	0
June 30, 2092	0	414,635	0	414,635	0	13,157,718	13,157,718	0	0
June 30, 2093	0	359,211	0	359,211	0	13,657,245	13,657,245	0	0
June 30, 2094	0	308,128	0	308,128	0	14,181,398	14,181,398	0	0
June 30, 2095	0	261,470	0	261,470	0	14,728,404	14,728,404	0	0
June 30, 2096	0	219,327	0	219,327	0	15,301,138	15,301,138	0	0
June 30, 2097	0	181,685	0	181,685	0	15,901,397	15,901,397	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, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [5.93%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.13%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [5.53%]	
June 30, 2023	2,130,625	1,503,215	1,503,215	0	1,503,215	0	1,503,215	Sum of Column V.
June 30, 2024	2,727,480	1,648,929	1,648,929	0	1,556,621	0	1,562,492	38,635,462
June 30, 2025	3,152,707	1,778,529	1,778,529	0	1,584,977	0	1,596,954	
June 30, 2026	3,593,950	1,892,933	1,892,933	0	1,592,496	0	1,610,581	Sum of Column VI.
June 30, 2027	4,040,188	2,059,670	2,059,670	0	1,635,768	0	1,660,584	4,310,816
June 30, 2028	4,495,548	2,163,828	2,163,828	0	1,622,288	0	1,653,109	
June 30, 2029	4,961,799	2,236,760	2,236,760	0	1,583,090	0	1,619,250	Sum of Column VII.
June 30, 2030	5,439,148	2,335,888	2,335,888	0	1,560,699	0	1,602,369	[V. + VI.]
June 30, 2031	5,931,798	2,392,972	2,392,972	0	1,509,336	0	1,555,478	42,946,278
June 30, 2032	6,441,272	2,519,723	2,519,723	0	1,500,314	0	1,552,011	
June 30, 2033	6,968,752	2,534,846	2,534,846	0	1,424,826	0	1,479,481	
June 30, 2034	7,508,040	2,568,068	2,568,068	0	1,362,692	0	1,420,300	
June 30, 2035	8,053,304	2,652,126	2,652,126	0	1,328,515	0	1,389,899	
June 30, 2036	8,601,407	2,665,423	2,665,423	0	1,260,432	0	1,323,644	
June 30, 2037	9,143,537	2,655,238	2,655,238	0	1,185,326	0	1,249,465	
June 30, 2038	9,672,571	2,747,994	2,747,994	0	1,158,060	0	1,225,328	
June 30, 2039	10,205,543	2,808,315	2,808,315	0	1,117,229	0	1,186,583	
June 30, 2040	10,737,701	2,886,878	2,886,878	0	1,084,191	0	1,155,837	
June 30, 2041	11,265,279	2,920,109	2,920,109	0	1,035,279	0	1,107,855	
June 30, 2042	11,800,460	2,926,582	2,926,582	0	979,490	0	1,052,108	
June 30, 2043	12,340,408	3,005,448	3,005,448	0	949,576	0	1,023,822	
June 30, 2044	12,868,549	2,980,964	2,980,964	0	889,116	0	962,250	
June 30, 2045	13,370,710	2,992,374	2,992,374	0	842,555	0	915,299	
June 30, 2046	13,830,288	3,008,259	3,008,259	0	799,611	0	871,923	
June 30, 2047	14,223,518	2,954,643	2,954,643	0	741,395	0	811,491	
June 30, 2048	14,531,149	2,918,977	2,918,977	0	691,443	0	759,670	
June 30, 2049	14,780,406	2,871,023	2,871,023	0	642,012	0	708,022	
June 30, 2050	14,958,520	2,807,991	2,807,991	0	592,766	0	656,178	
June 30, 2051	15,049,504	2,745,542	2,745,542	0	547,138	0	607,952	
June 30, 2052	15,073,565	2,707,668	2,707,668	0	509,384	0	568,137	
June 30, 2053	15,019,283	2,682,998	2,682,998	0	476,487	0	533,450	
June 30, 2054	14,858,389	2,647,509	2,647,509	0	443,863	0	498,800	
June 30, 2055	14,574,536	2,561,936	2,561,936	0	405,472	0	457,375	
June 30, 2056	14,145,394	2,562,556	2,562,556	0	382,866	0	433,505	
June 30, 2057	13,542,966	2,537,793	2,537,793	0	357,941	0	406,811	
June 30, 2058	12,747,561	2,440,404	2,440,404	0	324,936	0	370,692	
June 30, 2059	11,762,136	2,327,734	2,327,734	0	292,584	0	335,043	
June 30, 2060	10,569,008	2,225,184	2,225,184	0	264,036	0	303,493	
June 30, 2061	9,145,912	2,110,710	2,110,710	0	236,433	0	272,790	
June 30, 2062	7,485,331	2,032,786	2,032,786	0	214,957	0	248,947	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [5.93%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.13%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [5.53%]
June 30, 2063	5,569,236	1,958,821	1,958,821	0	195,540	0	227,314
June 30, 2064	3,356,648	1,886,276	1,886,276	0	177,757	0	207,421
June 30, 2065	817,767	1,874,515	817,767	1,056,748	72,750	193,440	195,322
June 30, 2066	0	1,833,196	0	1,833,196	0	322,274	181,003
June 30, 2067	0	1,781,895	0	1,781,895	0	300,843	166,715
June 30, 2068	0	1,757,945	0	1,757,945	0	285,040	155,853
June 30, 2069	0	1,740,303	0	1,740,303	0	270,999	146,201
June 30, 2070	0	1,715,361	0	1,715,361	0	256,531	136,552
June 30, 2071	0	1,687,483	0	1,687,483	0	242,363	127,291
June 30, 2072	0	1,655,774	0	1,655,774	0	228,387	118,351
June 30, 2073	0	1,615,871	0	1,615,871	0	214,052	109,445
June 30, 2074	0	1,579,464	0	1,579,464	0	200,939	101,371
June 30, 2075	0	1,534,063	0	1,534,063	0	187,430	93,296
June 30, 2076	0	1,484,927	0	1,484,927	0	174,238	85,574
June 30, 2077	0	1,432,033	0	1,432,033	0	161,374	78,200
June 30, 2078	0	1,375,620	0	1,375,620	0	148,875	71,181
June 30, 2079	0	1,319,341	0	1,319,341	0	137,127	64,690
June 30, 2080	0	1,253,479	0	1,253,479	0	125,119	58,239
June 30, 2081	0	1,189,455	0	1,189,455	0	114,024	52,368
June 30, 2082	0	1,120,015	0	1,120,015	0	103,114	46,726
June 30, 2083	0	1,046,566	0	1,046,566	0	92,534	41,373
June 30, 2084	0	973,733	0	973,733	0	82,683	36,476
June 30, 2085	0	895,487	0	895,487	0	73,026	31,786
June 30, 2086	0	820,613	0	820,613	0	64,269	27,601
June 30, 2087	0	747,867	0	747,867	0	56,251	23,836
June 30, 2088	0	674,860	0	674,860	0	48,748	20,382
June 30, 2089	0	604,620	0	604,620	0	41,944	17,303
June 30, 2090	0	537,600	0	537,600	0	35,817	14,579
June 30, 2091	0	474,183	0	474,183	0	30,340	12,185
June 30, 2092	0	414,635	0	414,635	0	25,479	10,096
June 30, 2093	0	359,211	0	359,211	0	21,199	8,288
June 30, 2094	0	308,128	0	308,128	0	17,463	6,737
June 30, 2095	0	261,470	0	261,470	0	14,232	5,417
June 30, 2096	0	219,327	0	219,327	0	11,465	4,306
June 30, 2097	0	181,685	0	181,685	0	9,121	3,380

APPENDIX II – PLAN PROVISIONSPlan Year

July 1 through June 30.

Premium Effective Date

Medicare Supplement Plans: effective January 1, 2022

Active Plans: effective July 1, 2022

Dental Plans: N/A

Creditable Service

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

Benefits Offered

Comprehensive Medical, Dental and \$2,000 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 have been reflected.

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	100%	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

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

5.53% per annum (previously 5.70%)

Net Long Term Rate of Return

5.93% (based on investment policy)

Municipal Bond Rate

4.13% as of June 30, 2023 (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, 2023

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

Non-Public Safety Employees

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

Public Safety Employees

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Retirement Rates for Eligible Employees

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

Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

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

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

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

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

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

It was assumed that 80% of employees eligible to receive retirement benefits would enroll in the retiree medical plans upon retirement

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, 2023</u>	<u>June 30, 2022</u>
I. Total OPEB Liability	37,507,482	35,464,161
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>23,536,763</u>	<u>22,174,064</u>
III. Liability from Implicit Subsidy [I. - II.]	13,970,719	13,290,097

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2023</u>	<u>June 30, 2022</u>
IV. Employer Payments (Including Implicit Subsidy)	1,503,215	1,341,829
V. Actual Employer Payments	<u>975,042</u>	<u>857,494</u>
VI. Implicit Subsidy [IV. - V.]	528,173	484,335

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS*

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,691	2,957	44 & Under	9,220	6,042	65 to 69	2,375	2,439
25 to 29	6,921	3,077	45 to 49	10,128	7,628	70 to 74	2,802	2,922
30 to 34	8,746	3,862	50 to 54	11,915	10,047	75 to 79	3,251	3,451
35 to 39	9,009	4,850	55 to 59	13,773	13,061	80 to 84	3,728	3,967
40 to 44	9,220	6,042	60 to 64	16,390	16,761	85 to 89	4,168	4,419
45 to 49	10,128	7,628	65 to 69	19,647	20,907	90 & Over	4,168	4,419
50 to 54	11,915	10,047	70 to 74	23,169	25,055			
55 to 59	13,773	13,061	75 to 79	26,906	29,592			
60 to 64	16,390	16,761	80 to 84	30,850	34,014			
65 to 69	19,647	20,907	85 to 89	35,216	38,933			
70 & Over	23,169	25,055	90 & Over	35,216	38,933			

*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, 2023 reflect a closed group and do not reflect any new entrants after the valuation date.

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

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2021
A. Average Age at Hire	36.28
B. Average Service	8.93
C. Average Current Age	45.21

Retired Employees & Spouses

Valuation Date	July 1, 2021
A. Under Age 65	56
B. Age 65 & Over	290
C. Total	346

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	6									6
25-29	30	3								33
30-34	25	14	2							41
35-39	16	9	7	5	1					38
40-44	19	6	4	7						36
45-49	14	6	5	6	6	1				38
50-54	13	5	14	8	2	5	2			49
55-59	14	5	9	10	2	1				41
60-64	7	1	8	4	8	1		1		30
65-69			1	2	2	1				6
70+				1		1				2
Total	144	49	50	43	21	10	2	1		320

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HMO	136	57	154	347
PPO	6			6
Medicare Preferred	285			285
Total	427	57	154	638

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HMO	939.34	1,896.51	2,747.54
PPO	1,905.28	3,846.77	5,572.95
Medicare Preferred	279.24	558.48	
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
HMO	136	57	154	558	7,907,669.64	6,289,820.64
PPO	6			6	137,180.16	137,180.16
Total	142	57	154	564	8,044,849.80	6,427,000.80
Blended Average Monthly Rate:						\$ 949.62

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Medicare Preferred	285			285	955,000.80	955,000.80
Total	285	0	0	285	955,000.80	955,000.80
Blended Average Monthly Rate:						\$ 279.24

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 20, 2023 and its subject is the Town of Medway'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 Medway 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, 2023.
- ✓ 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.

AGENDA ITEM

#8

**Vote: Open May 13, 2024,
Special and Annual
Town Meeting Warrants**

Associated back up materials attached:

- *2024 Annual Town Meeting and FY25 Budget Calendar*

Proposed Motion:

I move that the Board open the May 13, 2024, Special and Annual Town Meeting warrants.

Town of Medway

Fiscal Year 2025 Budget and 2024 Town Meeting Calendars

Date	Activity	Charter Ref.
Aug. 14, 2023	Town Manager Issues Capital Improvement Plan (CIP) Instructions	5-2-6
Sept. 18	Select Board Issues Budget Calendar	7-2-1
Sept. 27	CIP Submitted to Town Manager – Includes Status of Previously Approved Projects Plus Proposed New Projects	5-2-6
Sept. 28 – Oct. 5	Town Manager/Finance Dir. Review CIP w/ Dept. Mgrs.	
Oct. 10	Town Manager/Finance Director Issue Five (5) Year Revenue and Expense Budget	7-4-1
Oct. 10	Proposed CIP and Capital Budget Submitted to Capital Improvement Planning Committee (CIPC)	
Oct. 10 - Dec. 29	CIPC Reviews and Ranks Projects	
Oct. 23	Select Board Issues Policy Statement for FY25 Budget	7-2-4
Nov. 27	Town Manager/Finance Director Issues Operating Budget Instructions to Dept. Heads and Committee Chairs	7-2-4
Dec. 27	Departmental Operating Budget Submissions Due to Town Admin.	7-2-5
Dec. 28 – Jan.5, 2024	Town Manager/Finance Director Review Department Budgets	
Jan. 2-12	CIPC Prepares Five Year Schedule of Capital Projects	5-2-6
Jan. 2	Annual Town Meeting Warrant Opens	
Jan. 16 (or Feb 5)	CIPC Presents Capital Budget and Capital Plan to Select Board	
Jan. 29	Town Manager Submits Proposed Comprehensive Operating and Capital Budgets to Select Board	7-2-6
Jan. 29 – Mar. 2	Select Board Reviews Operating and Capital Budgets	
Feb. 16	School Dept. Budget Submitted to Town Admin. and Select Board	
Feb. 20	ATM Warrant Closes	
Feb. 21-23	Legal Review of Warrant	
Mar. 4	Select Board Adopts and Recommends Warrant to FinCom (except zoning); Select Board Adopts and Transmits Operating and Capital Budgets to FinCom	7-2-9
Mar. 5-Apr. 3	FinCom Review of Annual Town Meeting Warrant, Operating and Capital Budgets; Prepares Town Meeting Recommendations	
Mar. 5	PEDB Holds Public Hearing on Proposed Zoning Bylaw Changes	
Mar. 13	PEDB Submits Public Hearing Outcome/Recommendations to Select Board	
Mar. 18	Select Board Votes Recommendations on Zoning Warrant Articles	7-2-9
Mar. 18	FinCom Submits Public Hearing Notice to Milford Daily News (4 business days prior to advertisement in paper)	
Mar. 19	Select Board Advises FinCom of Zoning Articles Recommendations	
Apr. 3	FinCom Holds Public Hearing	2-5-2/7-2-10
Apr. 5	FinCom Recommends Final Budget and Warrant	7-2-10
Apr.15	Warrant Submitted to Publisher	
Apr. 15	Warrant Posted on Web, Residents Notified	
May 13, 2024	Annual Town Meeting; Approval of Upcoming Year's Budgets	

April 25, 2024

Constable Posts Warrant

AGENDA ITEM

#9

Vote: Fiscal Year 2025 MetroWest Veterans' District Agreement and Budget

Associated back up materials attached:

- FY25 Agreement and Budget

Proposed Motion:

I move that the Board vote to approve the MetroWest Veterans' District agreement and budget for fiscal year 2025 as presented.

Agreement By and Among the Towns of Ashland, Holliston, Hopkinton, and Medway for Veterans' District and Apportionment of Expenses

Agreement made *this 11th day of November* by and among the Towns of Ashland, Holliston, Hopkinton and Medway to formalize the creation of the Metro West Veterans' District, acceptance of its bylaws attached herewith as Attachment A and to apportion expenses for the fulfillment of Veterans' Services to member towns according to the District budget which shall be approved by the Board of Directors on an annual basis.

The Boards of Selectmen from the District's participating communities will appoint a Board of Directors pursuant to statute (MGL c.1 15, §11). For the purposes of this agreement, it shall be agreed that the members of the Board of Directors may appoint an alternate each year in the event the Board of Directors member has any extended leave that would render the Board Member unable to participate and potentially cause lack of quorum.

The District agrees to appoint a full time Veterans ' Services Director, part-time Veterans' Agent to support the Director's fulfillment of his duties and to act in his absence, and administrative support staff. Staff will have a presence in each of the communities to ensure a proper level of service to the District's constituents.

The District Board of Directors will set the compensation of the above positions, determine the expenses of the department, and said positions and apportion the expenses among the municipalities as determined by the population of each municipality based on the most recent federal census.

The member communities will pay the annual assessment as determined by the Board of Directors to the District Treasurer By the 15th of July of each Fiscal Year. These payments will represent compensation for the administrative, administrative, and other costs incurred by the District's Veterans' Services Department.

The District Board of Directors will appoint a District Treasurer and District Accountant from the Town that the District Budget is managed from.

The District Board of Directors will direct the appointed Director of Veterans' Services to perform the duties of his office in each of the municipalities comprising the District.

The duties of the Veterans' Director and staff will be performed principally during regularly scheduled business hours in the designated central office located in Holliston, Massachusetts in a building owned by the Town of Holliston, during set hours in satellite offices in the remaining three participating towns, and by appointment.

Hours of operation will be duly posted at each office location.

Distribution of benefits payable under Massachusetts General Law chapter 115 to veterans of each community will be paid by the Treasurer of the community in which the veteran resides.

The seventy-five percent (75%) reimbursement of veterans' benefits from the state will be credited to that community which issued such benefits.

This Agreement will be subject to renewal on a biennial basis, co-terminus with the approved District term so approved by the Commonwealth of Massachusetts. The member communities may terminate participation by providing sixty (60) days notice to the Board of Directors.

FY2025 AMENDMENT TO AGREEMENT BY AND AMONG THE TOWNS OF ASHLAND,
HOLLISTON, HOPKINTON AND MEDWAY FOR VETERANS' DISTRICT AND
APPORTIONMENT OF EXPENSES

The agreement dated November 10, 2011 by and among the Towns of Ashland, Holliston, Hopkinton and Medway to formalize the creation of the MetroWest Veterans' District is hereby amended as follows:

1. Paragraph 3, update from "clerical staff" to "administrative support staff"
2. Replace the District budget attached as Attachment B to the November 10, 2011 Agreement with the District's budget for FY2025.

Effective as the last date listed below.

Chair, Ashland Select Board

Dated

Chair, Holliston Select Board

Dated

Chair, Hopkinton Select Board

Dated

Chair, Medway Select Board

Dated

VETERANS SERVICES**METROWEST DISTRICT**

Medway, Hopkinton, Holliston, Ashland

FY2025 DISTRICT BUDGET

- - Proposal #2 - -

December 28, 2023

	<u>OBJ</u>	<u>FY2025</u>	<u>FY2024</u>	<u>Difference</u> <u>FY2025-FY2024</u>
Personal Services (<i>Director</i>)	505000	92,000.00	88,000.00	4,000.00
Agent-Shared P/S	505083	16,380.00	16,380.00	-
Administrative Support Specialist	505100	49,500.00	45,000.00	4,500.00
Benefit Emplr Costs	515700	29,006.00	27,081.16	1,924.84
District-Professional Services	525000	1,500.00	1,500.00	-
Communications	525150	4,000.00	4,000.00	-
District-Professional Dvlpmnt	525170	2,500.00	2,000.00	500.00
Municipal Agreements	525195	2,000.00	2,000.00	-
Vehicle Expense	525390	1,200.00	1,200.00	-
Building Rental	527170	7,500.00	5,000.00	2,500.00
Supplies+Materials	545000	2,500.00	2,800.00	(300.00)
District-Uniforms	545292	100.00	150.00	(50.00)
Other Misc Expenses	565000	100.00	150.00	(50.00)
Capital Equipment	585000	2,000.00	2,000.00	-
TOTALS		\$ 210,286.00	\$ 197,261.16	13,024.84

Assessments:	<u>FY2025</u>	<u>FY2024</u>	<u>Difference</u>	<u>% Change</u>
Medway:	\$ 41,977.29	39,377.27	2,600.02	6.60
Hopkinton:	\$ 60,036.65	56,318.06	3,718.59	6.60
Holliston:	\$ 47,997.78	45,024.86	2,972.92	6.60
Ashland:	\$ 60,274.28	56,540.97	3,733.31	6.60
From (Previous Years Acnt) 597543		0.00		
	\$ 210,286.00	197,261.16	13,024.84	

DISTRICT BOARD

Date Approved:

Travis Ahern
Chairman, Board Of Directors

AGENDA ITEM

#10

Action Items from Previous Meeting

Associated back up materials attached:

- *Action Items dated 12/18/2023*

[illegible]

AGENDA ITEM

#11

Town Manager's Report

No associated back up materials.

AGENDA ITEM

#12

Select Board Reports

No associated back up materials.

AGENDA ITEM

#13

**Executive Session for Reason Exemption
6: To consider the purchase, lease, or
value of real property if the chair declares
that an open meeting may have a
detrimental effect on the negotiating
position of the public body and the chair so
declares [123 Holliston Street]**

No associated back up materials.

Proposed Motion:

I move that the Board enter Executive Session for Reason Exemption 6: To consider the purchase, lease, or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body and the chair so declares [123 Holliston Street], with no intention of returning to open session.