

**Town of Holliston Other
Postemployment Benefits Plan**

GASB 45 Actuarial Valuation

as of

June 30, 2016

For the fiscal years ending

June 30, 2016

June 30, 2017

Delivered September 2016

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September 4, 2016

Personal and Confidential

Ms. Mary Bousquet
Treasurer/Collector
Town of Holliston
703 Washington Street, PO Box 6737
Holliston, MA 01746

Dear Ms. Bousquet:

We have performed an actuarial valuation of the Town of Holliston Other Postemployment Benefits Plan for the fiscal year ending June 30, 2016. The figures presented in this report reflect the adoption, by the Town of Holliston, of Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") effective July 1, 2007.


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, taking into account the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.

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

Very truly yours,



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

September 4, 2016**ACTUARIAL CERTIFICATION**

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Holliston other postemployment benefit programs as of June 30, 2016 for the fiscal year ending June 30, 2016 in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

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

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

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.



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

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

Town of Holliston Assuming Partial Funding - 6.00% discount rate Comparison of Plan Liabilities to Prior Valuation

	<u>June 30, 2016</u>	<u>June 30, 2014</u>
I. Present Value of Future Benefits		
A. Actives	31,223,471	N/A
B. Retirees/Disabled	<u>14,354,958</u>	<u>N/A</u>
C. Total	45,578,429	N/A
II. Present Value of Future Normal Cost	11,910,263	N/A
III. Actuarial Accrued Liability (Individual Entry Age Normal)		
A. Actives	19,313,208	14,207,953
B. Retirees/Disabled	<u>14,354,958</u>	<u>16,207,676</u>
C. Total	33,668,166	30,415,629
IV. Plan Assets	6,426,846	0
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	27,241,320	30,415,629
VI. Funded Ratio [IV. / III.]	19.09%	0.00%
VII. Annual Covered Payroll	N/A	N/A
VIII. UAAL as % of Covered Payroll	N/A	N/A
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	8,599,930	10,851,470
X. Number of Eligible Participants		
A. Actives	574	300
B. Retirees/Disabled	<u>324</u>	<u>326</u>
C. Total	898	626
For Fiscal Year Ending June 30, 2016	<u>June 30, 2016</u>	<u>June 30, 2014</u>
XI. Normal Cost	1,149,805	922,388
XII. Amortization of UAAL - 30 year increase 3.50% per yr	2,815,483	1,374,672
XIII. Annual Required Contribution ('ARC') [XI. + XII.]	3,965,288	2,297,060
XIV. Interest on Net OPEB Obligation (Asset)	515,997	651,088
XV. Adjustment to Annual Required Contribution	(589,411)	(743,724)
XVI. Amortization of Actuarial (Gains) / Losses	(1,475,139)	228,386
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	2,416,735	2,432,810
XVIII. Employer Share of Costs	1,253,500	1,182,331
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	1,500,000	0
XX. Total Employer Contribution [XVIII. + XIX.]	2,753,500	1,182,331
XXI. Percentage of Annual OPEB Expense Contributed	113.9%	48.6%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	8,599,930	10,851,470
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	(336,765)	1,250,479
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	8,263,165	12,101,949
XXV. Discount Rate	6.00%	6.00%

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Holliston
Comparison of Plan Funding vs. Partial Funding

	<u>Partial Funding -</u> <u>5.00% discount rate</u>	<u>Partial Funding -</u> <u>6.00% discount rate</u>	<u>Plan Funding -7.00%</u> <u>discount rate</u>
I. Present Value of Future Benefits			
A. Actives	39,926,803	31,223,471	24,940,158
B. Retirees/Disabled	15,718,929	14,354,958	13,192,122
C. Total	55,645,732	45,578,429	38,132,280
II. Present Value of Future Normal Cost	17,043,760	11,910,263	8,478,284
III. Actuarial Accrued Liability (Individual Entry Age Normal)			
A. Actives	22,883,043	19,313,208	16,461,874
B. Retirees/Disabled	15,718,929	14,354,958	13,192,122
C. Total	38,601,972	33,668,166	29,653,996
IV. Plan Assets	6,426,846	6,426,846	6,426,846
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	32,175,126	27,241,320	23,227,150
VI. Funded Ratio [IV. / III.]	16.65%	19.09%	21.67%
VII. Annual Covered Payroll	N/A	N/A	N/A
VIII. UAAL as % of Covered Payroll	N/A	N/A	N/A
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	8,599,930	8,599,930	8,599,930
X. Number of Eligible Participants			
A. Actives	574	574	574
B. Retirees/Disabled	324	324	324
C. Total	898	898	898
For Fiscal Year Ending June 30, 2016			
XI. Normal Cost	1,491,142	1,149,805	895,563
XII. Amortization of UAAL - 30 year increase 3.50% per yr	2,567,370	2,815,483	3,074,074
XIII. Annual Required Contribution ("ARC") [XI. + XII.]	4,058,512	3,965,288	3,969,637
XIV. Interest on Net OPEB Obligation (Asset)	429,997	515,997	601,996
XV. Adjustment to Annual Required Contribution	(532,798)	(589,411)	(647,698)
XVI. Amortization of Actuarial (Gains) / Losses	(1,027,784)	(1,475,139)	(1,923,342)
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	2,927,927	2,416,735	2,000,593
XVIII. Employer Share of Costs	1,253,500	1,253,500	1,253,500
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	1,500,000	1,500,000	1,500,000
XX. Total Employer Contribution [XVIII. + XIX.]	2,753,500	2,753,500	2,753,500
XXI. Percentage of Annual OPEB Expense Contributed	94.0%	113.9%	137.6%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	8,599,930	8,599,930	8,599,930
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	174,427	(336,765)	(752,907)
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	8,774,357	8,263,165	7,847,023
XXV. Discount Rate	5.00%	6.00%	7.00%

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Holliston

Assuming Partial Funding - 6.00% discount rate

Plan Liabilities as of June 30, 2016

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	29,840,244	0	73,114	1,310,113	31,223,471
B. Retirees/Disabled	<u>14,088,868</u>	<u>0</u>	<u>164,901</u>	<u>101,189</u>	<u>14,354,958</u>
C. Total	43,929,112	0	238,015	1,411,302	45,578,429
II. Present Value of Future Normal Cost	11,120,029	0	18,218	772,016	11,910,263
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	18,720,215	0	54,896	538,097	19,313,208
B. Retirees/Disabled	<u>14,088,868</u>	<u>0</u>	<u>164,901</u>	<u>101,189</u>	<u>14,354,958</u>
C. Total	32,809,083	0	219,797	639,286	33,668,166
IV. Plan Assets	6,263,071	0	42,093	121,682	6,426,846
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	26,546,012	0	177,704	517,604	27,241,320
VI. Annual Covered Payroll	N/A	N/A	N/A	N/A	N/A
VII. UAAL as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	8,380,493	0	56,143	163,294	8,599,930
IX. Number of Eligible Participants					
A. Actives	574	0	574	574	
B. Retirees/Disabled	<u>324</u>	<u>0</u>	<u>213</u>	<u>324</u>	
C. Total	898	0	787	898	

For Fiscal Year Ending June 30, 2016

X. Normal Cost	1,092,006	0	2,321	55,478	1,149,805
XI. Amortization of UAAL - 30 year increase 3.50% per yr	2,743,643	0	18,380	53,460	2,815,483
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,835,649	0	20,701	108,938	3,965,288
XIII. Interest on Net OPEB Obligation (Asset)	502,831	0	3,369	9,797	515,997
XIV. Adjustment to Annual Required Contribution	(574,372)	0	(3,848)	(11,191)	(589,411)
XV. Amortization of Actuarial (Gains) / Losses	(1,437,500)	0	(9,630)	(28,009)	(1,475,139)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	2,326,608	0	10,592	79,535	2,416,735
XVII. Employer Share of Costs	1,240,778	0	12,722	0	1,253,500
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	1,461,726	0	9,792	28,482	1,500,000
XIX. Total Employer Contribution [XVII. + XVIII.]	2,702,504	0	22,514	28,482	2,753,500
XX. Percentage of Annual OPEB Expense Contributed	116.2%	0.0%	212.6%	35.8%	113.9%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	8,380,493	0	56,143	163,294	8,599,930
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	(375,896)	0	(11,922)	51,053	(336,765)
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	8,004,597	0	44,221	214,347	8,263,165

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Holliston Plan Liabilities as of June 30, 2016 Assuming Partial Funding Method

	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits					
A. Actives	3,388,520	17,993,002	9,424,015	417,934	31,223,471
B. Retirees/Disabled	<u>2,812,390</u>	<u>11,362,403</u>	<u>0</u>	<u>180,165</u>	<u>14,354,958</u>
C. Total	6,200,910	29,355,405	9,424,015	598,099	45,578,429
II. Present Value of Future Normal Cost	930,196	6,685,409	4,109,398	185,260	11,910,263
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	2,458,324	11,307,593	5,314,617	232,674	19,313,208
B. Retirees/Disabled	<u>2,812,390</u>	<u>11,362,403</u>	<u>0</u>	<u>180,165</u>	<u>14,354,958</u>
C. Total	5,270,714	22,669,996	5,314,617	412,839	33,668,166
IV. Plan Assets	1,016,165	4,330,840	1,000,905	78,936	6,426,846
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	4,254,549	18,339,156	4,313,712	333,903	27,241,320
VI. Annual Covered Payroll	N/A	N/A	N/A	N/A	N/A
VII. UAAL as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	1,336,519	5,753,714	1,348,779	160,918	8,599,930
IX. Number of Eligible Participants					
A. Actives	72	389	105	8	574
B. Retirees/Disabled	<u>68</u>	<u>252</u>	<u>0</u>	<u>4</u>	<u>324</u>
C. Total	140	641	105	12	898
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	111,763	717,137	300,746	20,159	1,149,805
XI. Amortization of UAAL - 30 year increase 3.50% per yr	411,296	1,919,311	449,924	34,952	2,815,483
XII. Annual Required Contribution ('ARC') [X. + XI.]	523,059	2,636,448	750,670	55,111	3,965,288
XIII. Interest on Net OPEB Obligation (Asset)	80,192	345,223	80,927	9,655	515,997
XIV. Adjustment to Annual Required Contribution	(91,601)	(394,341)	(92,441)	(11,028)	(589,411)
XV. Amortization of Actuarial (Gains) / Losses	(230,931)	(993,265)	(232,855)	(18,088)	(1,475,139)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	280,719	1,594,065	506,301	35,650	2,416,735
XVII. Employer Share of Costs	272,590	922,429	45,822	12,659	1,253,500
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	234,824	1,010,004	236,779	18,393	1,500,000
XIX. Total Employer Contribution [XVII. + XVIII.]	507,414	1,932,433	282,601	31,052	2,753,500
XX. Percentage of Annual OPEB Expense Contributed	97.1%	57.9%	9.1%	35.5%	51.9%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	1,336,519	5,753,714	1,348,779	160,918	8,599,930
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	(226,695)	(338,368)	223,700	4,598	(336,765)
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	1,109,824	5,415,346	1,572,479	165,516	8,263,165

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Holliston

Detail of Plan Liabilities by Group and Dependency Status

Assuming Partial Funding - 6.00% discount rate

Plan Liabilities as of June 30, 2016

	<u>Present Value of Future Benefits</u>	<u>Actuarial Accrued Liability (Individual Entry Age Normal)</u>	<u>Normal Cost</u>
Actives			
Under Age 65			
A. Participants	6,784,002	3,959,083	241,820
B. Spouses	<u>3,360,859</u>	<u>2,087,685</u>	<u>110,436</u>
C. Total	10,144,861	6,046,768	352,256
Age 65 and Over			
A. Participants	12,546,799	7,892,650	478,044
B. Spouses	<u>8,531,811</u>	<u>5,373,790</u>	<u>319,505</u>
C. Total	21,078,610	13,266,440	797,549
Actives Total			
A. Participants	19,330,801	11,851,733	719,864
B. Spouses	<u>11,892,670</u>	<u>7,461,475</u>	<u>429,941</u>
C. Total	31,223,471	19,313,208	1,149,805
Retirees/Disabled			
Under Age 65			
A. Participants	844,657	844,657	0
B. Spouses	<u>437,635</u>	<u>437,635</u>	<u>0</u>
C. Total	1,282,292	1,282,292	0
Age 65 and Over			
A. Participants	9,989,904	9,989,904	<u>0</u>
B. Spouses	<u>3,082,762</u>	<u>3,082,762</u>	<u>0</u>
C. Total	13,072,666	13,072,666	0
Retirees/Disabled Total			
A. Participants	10,834,561	10,834,561	0
B. Spouses	<u>3,520,397</u>	<u>3,520,397</u>	<u>0</u>
C. Total	14,354,958	14,354,958	0
Total Population			
A. Participants	30,165,362	22,686,294	719,864
B. Spouses	<u>15,413,067</u>	<u>10,981,872</u>	<u>429,941</u>
C. Total	45,578,429	33,668,166	1,149,805

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Holliston
Assuming Funding over 30 years at 7.00% discount rate
Plan Liabilities as of June 30, 2016

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	23,872,526	0	58,091	1,009,541	24,940,158
B. Retirees/Disabled	<u>12,954,010</u>	<u>0</u>	<u>151,460</u>	<u>86,652</u>	<u>13,192,122</u>
C. Total	36,826,536	0	209,551	1,096,193	38,132,280
II. Present Value of Future Normal Cost	7,918,291	0	12,765	547,228	8,478,284
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	15,954,235	0	45,326	462,313	16,461,874
B. Retirees/Disabled	<u>12,954,010</u>	<u>0</u>	<u>151,460</u>	<u>86,652</u>	<u>13,192,122</u>
C. Total	28,908,245	0	196,786	548,965	29,653,996
IV. Plan Assets	6,265,221	0	42,649	118,976	6,426,846
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	22,643,024	0	154,137	429,989	23,227,150
VI. Annual Covered Payroll	N/A	N/A	N/A	N/A	N/A
VII. UAAL as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	8,380,493	0	56,143	163,294	8,599,930
IX. Number of Eligible Participants					
A. Actives	574	0	574	574	
B. Retirees/Disabled	<u>324</u>	<u>0</u>	<u>213</u>	<u>324</u>	
C. Total	898	0	787	898	
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	850,189	0	1,748	43,626	895,563
XI. Amortization of UAAL - 30 year increase 3.50% per yr	2,996,766	0	20,400	56,908	3,074,074
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,846,955	0	22,148	100,534	3,969,637
XIII. Interest on Net OPEB Obligation (Asset)	586,635	0	3,930	11,431	601,996
XIV. Adjustment to Annual Required Contribution	(631,172)	0	(4,228)	(12,298)	(647,698)
XV. Amortization of Actuarial (Gains) / Losses	(1,874,973)	0	(12,763)	(35,606)	(1,923,342)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	1,927,445	0	9,087	64,061	2,000,593
XVII. Employer Share of Costs	1,240,778	0	12,722	0	1,253,500
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	1,462,277	0	9,954	27,769	1,500,000
XIX. Total Employer Contribution [XVII. + XVIII.]	2,703,055	0	22,676	27,769	2,753,500
XX. Percentage of Annual OPEB Expense Contributed	140.2%	0.0%	249.5%	43.3%	137.6%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	8,380,493	0	56,143	163,294	8,599,930
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	(775,610)	0	(13,589)	36,292	(752,907)
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	7,604,883	0	42,554	199,586	7,847,023

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Holliston

Plan Liabilities as of June 30, 2016

Assuming Funding over 30 years at 7.00% discount rate

	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits					
A. Actives	2,706,625	14,372,147	7,527,556	333,830	24,940,158
B. Retirees/Disabled	<u>2,584,569</u>	<u>10,441,982</u>	<u>0</u>	<u>165,571</u>	<u>13,192,122</u>
C. Total	5,291,194	24,814,129	7,527,556	499,401	38,132,280
II. Present Value of Future Normal Cost	662,157	4,758,988	2,925,262	131,877	8,478,284
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	2,095,385	9,638,180	4,529,986	198,323	16,461,874
B. Retirees/Disabled	<u>2,584,569</u>	<u>10,441,982</u>	<u>0</u>	<u>165,571</u>	<u>13,192,122</u>
C. Total	4,679,954	20,080,162	4,529,986	363,894	29,653,996
IV. Plan Assets	1,016,165	4,330,840	1,000,905	78,936	6,426,846
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	3,663,789	15,749,322	3,529,081	284,958	23,227,150
VI. Annual Covered Payroll	N/A	N/A	N/A	N/A	N/A
VII. UAAL as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	1,336,519	5,753,714	1,348,779	160,918	8,599,930
IX. Number of Eligible Participants					
A. Actives	72	389	105	8	574
B. Retirees/Disabled	<u>68</u>	<u>252</u>	<u>0</u>	<u>4</u>	<u>324</u>
C. Total	140	641	105	12	898
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	87,051	558,565	234,246	15,701	895,563
XI. Amortization of UAAL - 30 year increase 3.50% per yr	449,072	2,095,592	491,248	38,162	3,074,074
XII. Annual Required Contribution ("ARC") [X. + XI.]	536,123	2,654,157	725,494	53,863	3,969,637
XIII. Interest on Net OPEB Obligation (Asset)	93,557	402,760	94,415	11,264	601,996
XIV. Adjustment to Annual Required Contribution	(100,659)	(433,337)	(101,583)	(12,119)	(647,698)
XV. Amortization of Actuarial (Gains) / Losses	(301,097)	(1,295,056)	(303,605)	(23,584)	(1,923,342)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	227,924	1,328,524	414,721	29,424	2,000,593
XVII. Employer Share of Costs	272,590	922,429	45,822	12,659	1,253,500
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	236,728	1,015,723	229,142	18,407	1,500,000
XIX. Total Employer Contribution [XVII. + XVIII.]	509,318	1,938,152	274,964	31,066	2,753,500
XX. Percentage of Annual OPEB Expense Contributed	223.5%	145.9%	66.3%	105.6%	137.6%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	1,336,519	5,753,714	1,348,779	160,918	8,599,930
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	(281,394)	(609,628)	139,757	(1,642)	(752,907)
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	1,055,125	5,144,086	1,488,536	159,276	7,847,023

Overview of GASB 43 and 45

GASB 43 requires retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 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 43 and 45 apply to those benefits provided after retirement except for pension benefits such as medical insurance, dental and life insurance. The philosophy behind the accounting standard is that these post-employment 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 43 and 45 extend this practice to all other post-employment benefits.

Overview of GASB 43 and 45

(continued)

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 post-employment benefits and when will they start?

Medical inflation and claims cost assumptions: When an employee starts receiving post-employment 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 "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- ✓ Normal Cost – because the benefits earned each year should be paid for each year
- ✓ Past Service Cost – a catch-up payment to fund the Accrued Liability over the next 10-30 years

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 Obligation. If you decide to fully fund the OPEB obligation 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.

Commentary on Plan Experience and Contribution Amounts

1. **GASB 45 – How we got here:**

The Plan adopted and implemented GASB 45 (“Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions”) effective for the fiscal year ending June 30, 2008. GASB 45 is designed to recognize the Other Postemployment Benefits (“OPEB”) earned by employees throughout their working career vs. when they are actually paid in retirement – accrual accounting vs. “pay-as-you-go” accounting. When GASB 45 was adopted, there was an Unfunded Actuarial Accrued Liability (“UAAL”) or “past service liability” which reflected all benefits earned until the date of such adoption. To smooth the impact of transitioning to GASB 45 on your financial statement, the UAAL was amortized over a 30 year period using a flat dollar amortization. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Normal 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.

2. **Summary of Results:**

During the fiscal year ending June 30, 2016, the Plan saw an experience gain of \$1,390,622 or 4.86%. Plan experience was in line with expectation. This was mainly due to premiums for Medicare integrated plans increasing less than the expected 15% increase as well as a reduction in average service. This was mostly offset by the preparations for GASB 75 including the introduction of a new Actuarial Cost Method (increasing disclosed liabilities by \$3 million) and a more conservative mortality table as recommended by PERAC. For comparison purposes when reviewing per active employee costs, it is important to note that we have valued all benefit eligible active employees while the prior valuation only considered those currently taking medical coverage. The actuarial experience gain is amortized into the annual OPEB costs over a 30-year period. The net impact of plan experience is a decrease in the annual OPEB cost. Please note there was a change in methodology to include spouses of retirees in the count.

Commentary on Plan Experience and Contribution Amounts
(continued)

3. **Balance Sheet Items**

	June 30, 2016	June 30, 2014
Actuarial Accrued Liability	\$33,668,166	\$30,415,629
Plan Assets	\$6,426,846	\$0
Unfunded Actuarial Accrued Liability	\$27,241,320	\$30,415,629
Funded %	19.09%	0.00%
Net OPEB Obligation	\$8,599,930	\$10,851,470

4. **Income Statement Items**

	June 30, 2016	June 30, 2014
Normal Cost	\$1,149,805	\$922,388
Amortization of UAAL	\$2,815,483	\$1,374,672
Interest on Net OPEB Obligation	\$515,997	\$651,088
Adjustment to Annual Required Contribution	\$(589,411)	\$(743,724)
Amortization of Actuarial (Gains)/Losses	\$(1,475,139)	\$228,386
Annual OPEB Expense	\$2,416,735	\$2,432,810
Employer Share of Costs	\$1,253,500	\$1,182,331
Employer Contributions/(Withdrawals) to/from OPEB Trust	\$1,500,000	\$0
Total Employer Contribution	\$2,753,500	\$1,182,331
Discount Rate	6.00%	6.00%

Commentary on Plan Experience and Contribution Amounts
(continued)

5. **GASB 75 – Where we’re going:**

The Governmental Accounting Standards Board (“GASB”) issued GASB 75 *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”* on June 2, 2015 which will become effective for your 2018 fiscal year. This standard largely mirrors the GASB 68 standard for pension plans. The new standards require increased disclosures and will tie interest rates used in the valuation to the plan’s underlying investment and funding policy. This may increase the pressure on many entities to begin funding their OPEB liabilities. For more information, please review our white papers at www.GASB75.com or on our website.

SECTION II

SUMMARY OF PLAN PROVISIONS

<u>Effective Date</u>	July 1, 2007; GASB 45 is adopted.
<u>Plan Year</u>	July 1 through June 30.
<u>Eligibility</u>	An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Participant Contributions</u>	Retirees will pay 40% of premiums for Medical Insurance (50% for Harvard Pilgrim PPO) & 50% of premiums for life insurance. Surviving Spouses will pay 100% of premiums.
<u>Benefits Offered</u>	Comprehensive Medical Insurance offered through Blue Cross, Harvard Pilgrim, Tufts Health Plan & Fallon Insurance and Group Term Life Insurance.
<u>Normal Retirement Date</u>	The normal retirement date is the first day of the month following a participant's 65th birthday.
<u>Early Retirement</u>	Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Individual Entry Age Normal Actuarial Cost Method. Under this method, the annual normal 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, each individual's annual normal cost is a level dollar amount. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Actuarial gains and losses are calculated each year and amortized over a 30 year period.

All employees who are plan participants on a valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets as of the valuation date.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre- and Post-Retirement Mortality

It is assumed that both pre-retirement and post-retirement mortality are represented by the RP-2000 Mortality Table projected generationally with scale BB and a base year 2009 for males and females.

Discount Rate

6.00% per annum (previously 6.00%)

Employee Termination

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

<u>Service</u>	<u>Non Public Safety Male</u>	<u>Non Public Safety Female</u>	<u>Public Safety</u>
0	15.00%	15.00%	1.50%
5	7.60%	7.60%	1.50%
10	5.40%	5.40%	1.50%
15	3.30%	3.30%	0.00%
20	2.00%	2.00%	0.00%
25	1.00%	1.00%	0.00%
30	0.00%	0.00%	0.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates for non-teachers

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Non Public Safety Male</u>	<u>Non Public Safety Female</u>	<u>Public Safety</u>
45	0.00%	0.00%	1.00%
46	0.00%	0.00%	1.00%
47	0.00%	0.00%	1.00%
48	0.00%	0.00%	1.00%
49	0.00%	0.00%	1.00%
50	1.00%	1.50%	2.00%
51	1.00%	1.50%	2.00%
52	1.00%	2.50%	2.00%
53	1.00%	2.50%	5.00%
54	2.00%	2.50%	7.50%
55	2.00%	5.50%	15.00%
56	2.50%	6.50%	10.00%
57	2.50%	6.50%	10.00%
58	5.00%	6.50%	10.00%
59	6.50%	6.50%	15.00%
60	12.00%	5.00%	20.00%
61	20.00%	13.00%	20.00%
62	30.00%	15.00%	25.00%
63	25.00%	12.50%	25.00%
64	22.00%	18.00%	30.00%
65	40.00%	15.00%	100.00%
66	25.00%	20.00%	100.00%
67	25.00%	20.00%	100.00%
68	30.00%	25.00%	100.00%
69	30.00%	20.00%	100.00%
70	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

Participation Rate

It was assumed that 75% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement. For life insurance plans, it was assumed that 75% of eligible employees would elect coverage upon retirement.

Percent Married

It was assumed that 80% of male participants and 70% of female participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that a male spouse is three years older than a female spouse and same sex spouses are assumed to be the same age. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

3.00% per year.

Open Group Forecast

It was assumed for projecting plan liabilities in future years that the active population would remain unchanged and that those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics

<u>Age</u>	<u>Male</u>	<u>Female</u>
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 values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely on the retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- ✓ The cost sharing program is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:
- ✓ The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit subsidy". GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based factors developed by actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page.

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Blue Choice Benchmark	4		4	8
Blue Choice Rate Saver	13		8	21
Fallon Direct Benchmark	2		3	5
Fallon Direct Rate Saver	7		6	13
Fallon Select Benchmark	3		1	4
Fallon Select Rate Saver	19		39	58
Harvard Pilgrim Benchmark	3		1	4
Harvard Pilgrim Rate Saver	87		109	196
Harvard Pilgrim PPO			2	2
Tufts Benchmark	1			1
Tufts Rate Saver	14		23	37
Harvard Pilgrim Medicare Enhanced	41	28		69
Managed Blue for Seniors	1			1
Tufts Medicare Preferred	3	8		11
Tufts Medicare Plus	8	9		17
Medex	38	34		72
Total	244	79	196	519

	Per Contract Costs (monthly) - FY 2017		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Blue Choice Benchmark	814.00	0.00	2,184.00
Blue Choice Rate Saver	885.00	0.00	2,374.00
Fallon Direct Benchmark	550.00	0.00	1,480.00
Fallon Direct Rate Saver	596.00		1,600.00
Fallon Select Benchmark	591.00		1,591.00
Fallon Select Rate Saver	639.00		1,721.00
Harvard Pilgrim Benchmark	735.00		1,915.00
Harvard Pilgrim Rate Saver	799.00		2,081.00
Harvard Pilgrim PPO	2,336.00		5,187.00
Tufts Benchmark	774.00		2,027.00
Tufts Rate Saver	841.00		2,203.00
Harvard Pilgrim Medicare Enhanced	342.00	684.00	
Managed Blue for Seniors	313.20	626.40	
Tufts Medicare Preferred	267.00	534.00	
Tufts Medicare Plus	321.00	642.00	
Medex	360.00	720.00	

Gross Expected FY 2017 Incurred Premiums	7,242,530
Adjustment to reflect children's claims	(1,133,220)
Total Expected FY 2017 Incurred Premiums (adults only)	6,109,310

II. PRE-65 AND POST-65 PER CAPITA RETIREE ANNUAL CLAIM COSTS

	<u>Employer</u> <u>Primary</u>	<u>Medicare</u> <u>Primary</u>
Age 65	12,408	4,100
Average Age	11,891	4,100

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

6,109,310 Active and Retired Claims (No Children)

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	1	0	1.312	0.549	7,612	3,185	7,612
25 to 29	16	3	1.312	0.591	7,612	3,429	132,079
30 to 34	15	9	1.312	0.712	7,612	4,131	151,359
35 to 39	26	12	1.312	0.850	7,612	4,932	257,096
40 to 44	28	28	1.312	1.000	7,612	5,802	375,592
45 to 49	39	23	1.456	1.193	8,448	6,922	488,678
50 to 54	45	45	1.599	1.441	9,277	8,361	793,710
55 to 59	48	38	1.740	1.753	10,095	10,171	871,058
60 to 64	24	32	1.968	2.102	11,418	12,196	664,304
65 to 69	16	10	2.168	2.316	12,579	13,437	335,634
70 & Over	2	4	2.396	2.557	13,902	14,836	87,148
Total	260	204					4,164,270

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	4	2	1.312	1.000	7,612	5,802	42,052
45 to 49	1	0	1.456	1.193	8,448	6,922	8,448
50 to 54	1	2	1.599	1.441	9,277	8,361	25,999
55 to 59	5	3	1.740	1.753	10,095	10,171	80,988
60 to 64	20	16	1.968	2.102	11,418	12,196	423,496
65 to 69	4	1	2.168	2.316	12,579	13,437	63,753
70 to 74	6	1	2.396	2.557	13,902	14,836	98,248
75 to 79	3	0	2.593	2.769	15,045	16,066	45,135
80 to 84	4	1	2.724	2.910	15,805	16,884	80,104
85 to 89	0	2	2.864	3.059	16,617	17,748	35,496
90 & Over	0	0	3.010	3.215	17,464	18,653	0
Total	48	28					903,719

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	38	23	2.168	2.316	4,100	4,100	250,100
70 to 74	43	41	2.396	2.557	4,100	4,100	344,400
75 to 79	23	36	2.593	2.769	4,100	4,100	241,900
80 to 84	17	9	2.724	2.910	4,100	4,100	106,600
85 to 89	11	5	2.864	3.059	4,100	4,100	65,600
90 & Over	4	4	3.010	3.215	4,100	4,100	32,800
Total	136	118					1,041,400
Grand Totals	444	350					6,109,389

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

E. DEVELOPMENT OF REPRESENTATIVE DENTAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - with Active & Retiree Incurred Premiums

	Per Contract Costs (monthly) - FY 2017		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Dental Plan	N/A		N/A

FY 2017 Expected Per Person Rate

N/A

EXHIBIT AFinancial Statement Disclosure
(As of June 30, 2016)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements with regard to the retiree medical and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical & Medicare Supplement coverages through Blue Cross, Fallon Healthcare, Harvard Pilgrim and Tufts.
- b. Administrator: Town of Holliston
- c. Eligibility: An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
- d. Cost Sharing: Employees will pay 40% of premiums in retirement (50% for Harvard Pilgrim PPO). Surviving Spouses will pay 100% of premiums.

2. A DESCRIPTION OF THE DENTAL INSURANCE PROGRAM:

- a. Plan Type: Not Offered
- b. Administrator: N/A
- c. Eligibility: N/A
- d. Cost sharing: N/A

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$3,000
- b. Administrator: Town of Holliston
- c. Eligibility: Same as above
- d. Cost sharing: Employees will pay 50% of premiums in retirement.

EXHIBIT AFinancial Statement Disclosure

(As of June 30, 2016)

(continued)

4. RETIREE MEDICAL AND LIFE INSURANCE CONTRIBUTIONS:

Group	Individual	Family
Medical	40%-50%	40%-50%
Dental	100%	100%
Life	50%	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town expects to contribute \$1,500,000 beyond the pay-as-you-go. For the 2016 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$1,253,500. The Town is also projected to make a contribution to an OPEB Trust of \$1,500,000 for the 2016 fiscal year for a total contribution of \$2,753,500 .

EXHIBIT A

Financial Statement Disclosure

(As of June 30, 2016)

(continued)

6. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual Required Contribution	\$3,965,288
Interest on net OPEB Obligation (Asset)	\$515,997
Adjustment to annual required contribution	(\$589,411)
Amortization of Actuarial (Gains) / Losses	(\$1,475,139)
Annual OPEB expense	\$2,416,735
Contributions made to pay benefits	\$1,253,500
Contributions made to OPEB Trust	\$1,500,000
Increase (Decrease) in net OPEB Obligation (Asset)	(\$336,765)
Net OPEB Obligation (Asset) – beginning of year	\$8,599,930
Net OPEB Obligation (Asset) – end of year	\$8,263,165

EXHIBIT A

Financial Statement Disclosure

(As of June 30, 2016)

(continued)

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2016 fiscal year and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Expected Employer Payments	Percentage of OPEB Cost Contributed	Increase (Decrease) in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset)
06/30/2018 (est.)	\$2,684,171	\$2,955,881	110.1%	(\$271,710)	\$7,691,938
06/30/2017 (est.)	\$2,551,803	\$2,851,320	111.7%	(\$299,517)	\$7,963,648
06/30/2016	\$2,416,735	\$2,753,500	113.9%	(\$336,765)	\$8,263,165
06/30/2015	\$2,584,897	\$6,086,916	235.5%	(\$3,502,019)	\$8,599,930
06/30/2014	\$2,432,810	\$1,182,331	48.6%	\$1,250,479	\$12,101,949
06/30/2013	\$3,487,659	\$1,425,583	40.9%	\$2,062,076	\$10,851,470

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
06/30/2018 (est.)	\$10,882,509	\$37,559,575	\$26,677,066	29.0%	N/A	N/A
06/30/2017 (est.)	\$8,788,210	\$35,578,344	\$26,790,134	24.7%	N/A	N/A
06/30/2016	\$6,426,846	\$33,668,166	\$27,241,320	19.1%	N/A	N/A
06/30/2015	\$4,818,613	\$31,923,000	\$27,104,387	15.1%	N/A	N/A
06/30/2014	\$0	\$30,415,629	\$30,415,629	0.0%	N/A	N/A
06/30/2013	\$0	N/A	N/A	N/A	N/A	N/A

EXHIBIT A

Financial Statement Disclosure (As of June 30, 2016) (continued)

	Fiscal Year Ending June 30, 2016				
	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
OPEB Obligation (Asset) at beginning of year	1,336,519	5,753,714	1,348,779	160,918	8,599,930
Annual Required Contribution	523,059	2,636,448	750,670	55,111	3,965,288
Interest on Net OPEB Obligation	80,192	345,223	80,927	9,655	515,997
Adjustment to the ARC	(91,601)	(394,341)	(92,441)	(11,028)	(589,411)
Amortization of Actuarial (Gains)/Losses	(230,931)	(993,265)	(232,855)	(18,088)	(1,475,139)
Annual OPEB Cost	280,719	1,594,065	506,301	35,650	2,416,735
Expected Employer Contribution	272,590	922,429	45,822	12,659	1,253,500
Contribution (Withdrawal) to/from Trust Fund over 30 Years	234,824	1,010,004	236,779	18,393	1,500,000
Total Expected Employer Payments	507,414	1,932,433	282,601	31,052	2,753,500
Increase (Decrease) in OPEB Obligation (Asset)	(226,695)	(338,368)	223,700	4,598	(336,765)
OPEB Obligation (Asset) at end of year	1,109,824	5,415,346	1,572,479	165,516	8,263,165
AAL as of June 30, 2016	5,270,714	22,669,996	5,314,617	412,839	33,668,166
Plan Assets as of June 30, 2016	1,016,165	4,330,840	1,000,905	78,936	6,426,846
Unfunded Actuarial Liability as of June 30, 2016	4,254,549	18,339,156	4,313,712	333,903	27,241,320

	Fiscal Year Ending June 30, 2017				
	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Water Enterprise Employees and Retirees	Total
OPEB Obligation (Asset) at beginning of year	1,109,824	5,415,346	1,572,479	165,516	8,263,165
Annual Required Contribution	543,541	2,739,688	780,065	57,269	4,120,563
Interest on Net OPEB Obligation	77,051	331,704	77,758	9,277	495,790
Adjustment to the ARC	(88,015)	(378,899)	(88,821)	(10,596)	(566,331)
Amortization of Actuarial (Gains)/Losses	(236,168)	(1,009,338)	(234,405)	(18,308)	(1,498,219)
Annual OPEB Cost	296,409	1,683,155	534,597	37,642	2,551,803
Expected Employer Contribution	290,616	991,080	55,862	13,762	1,351,320
Contribution (Withdrawal) to/from Trust Fund over 30 Years	234,824	1,010,004	236,779	18,393	1,500,000
Total Expected Employer Payments	525,440	2,001,084	292,641	32,155	2,851,320
Increase (Decrease) in OPEB Obligation (Asset)	(229,031)	(317,929)	241,956	5,487	(299,517)
OPEB Obligation (Asset) at end of year	880,793	5,097,417	1,814,435	171,003	7,963,648
AAL as of June 30, 2017	5,569,750	23,956,188	5,616,144	436,262	35,578,344
Plan Assets as of June 30, 2017	1,731,196	5,645,812	1,308,315	102,887	8,788,210
Unfunded Actuarial Liability as of June 30, 2017	3,838,554	18,310,376	4,307,829	333,375	26,790,134

EXHIBIT AFinancial Statement Disclosure

(As of June 30, 2016)

(continued)

7. FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2016, the most recent valuation date, the plan was 19.09% funded. The actuarial liability for benefits was \$33,668,166, and the actuarial value of assets was \$6,426,846, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,241,320. The covered payroll (annual payroll of active employees covered by the plan) was \$ N/A and the ratio of the UAAL to the covered payroll was N/A.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. EFFECT OF 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$42,966,060 or by 27.6% and the corresponding Normal Cost would increase to \$1,719,636 or by 49.6%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$26,341,026 or by 21.8% and the corresponding Normal Cost would decrease to \$739,277 or by 35.7%.

EXHIBIT A

Financial Statement Disclosure

(As of June 30, 2016)

(continued)

9. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method:	Individual Entry Age Normal
Investment Rate of Return:	6.00% per annum (previously 6.00%)
Healthcare Trend Rates	

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

General Inflation Assumption:	2.75% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value
Amortization of UAAL:	Amortized increasing at 3.50% per year over 30 years at transition
Remaining Amortization Period:	22 years at June 30, 2016

EXHIBIT A

Financial Statement Disclosure

(As of June 30, 2016)

(continued)

10. **Remaining Amortization Bases**

The initial Actuarial Accrued Liability as of the date GASB 45 was adopted is amortized as a component of the Annual Required Contribution ("ARC"). The Unfunded Actuarial Accrued Liability was amortized beginning in 2007 over a 30 year period with amortization payments increasing at 3.50% per year. For years subsequent to the initial adoption of GASB 45, cumulative gains/losses are amortized on a level dollar basis over a 30 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year's ARC under GASB 45.

Changes in Unfunded Actuarial Liability Since Prior Valuation
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Expected Unfunded Actuarial Liability

1. Actuarial Accrued Liability at prior valuation date	30,415,629
2. Actuarial Value of Assets at prior valuation date	0
3. Unfunded Actuarial Accrued Liability at prior valuation date [1. - 2.]	30,415,629
4. Normal Cost for prior periods	1,844,776
5. Employer Contributions for prior periods	(7,269,247)
6. Interest to current valuation date	3,640,784
7. Expected Unfunded Actuarial Accrued Liability [3. + 4. + 5. + 6.]	28,631,942

Actual Unfunded Actuarial Liability

8. Actuarial Accrued Liability at current valuation date	33,668,166
9. Actuarial Value of Assets at current valuation date	6,426,846
10. Unfunded Actuarial Accrued Liability at current valuation date [8. - 9.]	27,241,320

Net Actuarial (Gain) / Loss from Plan Experience [10. - 7.] (1,390,622)

11. Unfunded Actuarial Accrued Liability at current valuation date [10.]	27,241,320
12. Remaining Initial Unfunded to be amortized	48,764,660
13. Actuarial (Gain) / Loss to be amortized: [11. - 12.]	(21,523,340)

EXHIBIT A

Financial Statement Disclosure

(As of June 30, 2016)

(continued)

Amortization of Initial Unfunded and Plan Experience under GASB 45						
Date Established	Description	Initial Amount	Initial Amortization Period	Remaining Balance at Valuation Date	Remaining Amortization Period	Annual Amortization Payment
July 1, 2007	GASB 45 Liability	46,065,109	30	48,764,660	22	2,815,483
June 30, 2016	Cumulative (Gain) / Loss	(21,523,340)	30	(21,523,340)	30	(1,475,139)
June 30, 2016	Adjustment to ARC	(8,599,930)	30	(8,599,930)	30	(589,411)
Total				18,641,390		750,933

11. Recognition of OPEB trust assets

The State of Massachusetts has recently passed legislation allowing municipal entities to establish a trust for Other Postemployment Benefits ("OPEB") under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 45. To the best of our knowledge, Town of Holliston has established an irrevocable trust for the purposes of prefunding liabilities under GASB 45.

EXHIBIT AFinancial Statement Disclosure

(As of June 30, 2016)

(continued)

12. Impact of Patient Protection and Affordable Care Act ("PPACA") Excise Tax

Under the Patient Protection and Affordable Care Act ("PPACA"), an excise tax will be imposed for tax years beginning after December 31, 2019 (formerly December 31, 2017, but amended by Consolidated Appropriations Act) for high cost employer sponsored health coverage. The law specifies a 40% excise tax, to be paid by the provider of such coverage, of the excess value beyond a basic dollar amount plus an additional "kicker" for qualified retirees or those engaged in a high risk profession. The threshold amounts for 2018 (original legislation) were \$10,200 for single coverage and \$27,500 for family coverage and a "kicker" amount of \$1,650 for single coverage and \$3,450 for family coverage. These threshold and kicker amounts are expected to be updated because of the Consolidated Appropriations Act before the tax takes effect in 2020, but currently the updated amounts have not been released.

The excise tax liability will vary significantly over time as it is highly leveraged with the basic threshold amount increased with general CPI and medical costs increasing with medical trend (generally higher). For purposes of the fiscal year ending June 30, 2016, the AAL for the excise tax is \$639,286 and the increase in annual OPEB Cost is \$79,535. Given your premiums through the 2017 fiscal year and the excise tax threshold, your single premiums are within 38.64% of the excise tax and your family premiums are within 12.22% of the excise tax. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.

EXHIBIT AFinancial Statement Disclosure

(As of June 30, 2016)

(continued)

13. Impact of Section 9A 1/2 of M.G.L. Chapter 32B

For employees who retire on or after January 1, 2011 whenever a retired employee or beneficiary receives a healthcare premium contribution from a governmental unit in a case where a portion of the retiree's creditable service is attributable to service in 1 or more other governmental units, the first governmental unit shall be reimbursed in full, in accordance with this paragraph, by the other governmental units for the portion of the premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable to each governmental unit. The other governmental units shall be charged based on their own contribution rate or the contribution rate of the first employer, whichever is lower.

For purposes of the valuation we have not attempted to value the impact of prior governmental service at other entities in the State of Massachusetts for current employees of the Town of Holliston nor have we attempted to value the impact of prior Town of Holliston employees currently working at other governmental entities in the State of Massachusetts.

EXHIBIT B

Reconciliation of Plan Participation (As of June 30, 2016)

ACTIVE EMPLOYEES

	<u>June 30, 2016</u>	<u>June 30, 2014</u>
A. Average Age at Hire	35.47	35.70
B. Average Service	11.06	12.70
C. Average Current Age	46.53	48.40

RETIRED EMPLOYEES & DEPENDENTS

	<u>June 30, 2016</u>	<u>June 30, 2014</u>
I. Retirees		
A. Under Age 65	31	N/A
B. Age 65 & Over	<u>194</u>	<u>N/A</u>
C. Total Retirees	225	N/A
II. Dependents of Retirees		
A. Under Age 65	17	N/A
B. Age 65 & Over	<u>82</u>	<u>N/A</u>
C. Total Retirees	99	N/A
III. Retirees & Dependents		
A. Under Age 65	48	N/A
B. Age 65 & Over	<u>276</u>	<u>N/A</u>
C. Total Retirees	324	N/A

EXHIBIT C

Projected Cash Flows (Open Group) – Partial Funding Approach

Total Medical, Dental & Life Insurance - Partial Funding - 6.00% discount rate												
Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of June 30	II. Plan Assets as of June 30	III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization (increasing at 3.50%)	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Excess Employer Payments (beyond claims)
2016	33,668,166	6,426,846	27,241,320	1,149,805	2,815,483	515,997	(589,411)	(1,475,139)	2,416,735	8,599,930	1,253,500	1,500,000
2017	35,578,344	8,788,210	26,790,134	1,206,538	2,914,025	495,790	(566,331)	(1,498,219)	2,551,803	8,263,165	1,351,320	1,500,000
2018	37,559,575	10,882,509	26,677,066	1,254,886	3,016,016	477,819	(545,802)	(1,518,748)	2,684,171	7,691,938	1,455,881	1,500,000
2019	39,600,095	13,102,466	26,497,629	1,312,536	3,121,576	461,517	(527,180)	(1,537,370)	2,831,079	7,429,598	1,593,419	1,500,000
2020	41,678,363	15,455,620	26,222,743	1,367,793	3,230,831	445,776	(509,201)	(1,555,349)	2,979,850	7,241,174	1,668,274	1,500,000
2021	43,860,556	17,949,963	25,910,593	1,424,773	3,343,910	434,471	(496,286)	(1,568,156)	3,138,712	7,105,937	1,773,949	1,500,000
2022	46,122,062	20,593,967	25,528,095	1,491,502	3,460,947	426,357	(487,018)	(1,576,678)	3,315,110	7,038,165	1,882,883	1,500,000
2023	48,473,004	23,396,611	25,076,393	1,550,057	3,582,080	422,290	(482,372)	(1,580,646)	3,491,409	7,059,258	1,970,317	1,500,000
2024	50,933,606	26,367,414	24,566,192	1,618,460	3,707,453	423,555	(483,819)	(1,578,588)	3,687,061	7,163,653	2,082,666	1,500,000
2025	53,494,474	29,516,465	23,978,009	1,688,240	3,837,214	429,819	(490,974)	(1,570,891)	3,893,408	7,349,155	2,207,906	1,500,000
2026	56,148,252	32,854,459	23,293,793	1,760,137	3,971,517	440,950	(503,687)	(1,557,708)	4,111,209	7,619,525	2,340,838	1,500,000
2027	58,899,115	36,392,733	22,506,382	1,825,855	4,110,519	457,171	(522,217)	(1,538,779)	4,332,549	7,948,357	2,503,717	1,500,000
2028	61,702,330	40,143,303	21,559,027	1,903,670	4,254,387	476,902	(544,754)	(1,515,911)	4,574,294	8,344,771	2,677,881	1,500,000
2029	64,581,583	44,118,907	20,462,676	1,988,636	4,403,290	500,686	(571,923)	(1,488,481)	4,832,208	8,854,575	2,822,405	1,500,000
2030	67,561,398	48,333,047	19,228,351	2,075,176	4,557,405	531,275	(606,863)	(1,453,353)	5,103,640	9,523,240	2,934,975	1,500,000
2031	70,686,029	52,800,036	17,885,993	2,163,792	4,716,914	571,394	(652,692)	(1,407,414)	5,391,994	10,338,061	3,077,173	1,500,000
2032	73,892,423	57,535,044	16,357,379	2,256,339	4,882,007	620,283	(708,537)	(1,351,538)	5,698,554	11,299,122	3,237,493	1,500,000
2033	77,240,528	62,554,153	14,686,375	2,356,525	5,052,876	677,947	(774,405)	(1,285,721)	6,027,222	12,405,844	3,420,500	1,500,000
2034	80,736,485	67,874,408	12,862,077	2,462,144	5,229,726	744,351	(850,256)	(1,210,007)	6,375,958	13,699,366	3,582,436	1,500,000
2035	84,380,273	73,513,878	10,866,395	2,569,173	5,412,767	821,962	(938,910)	(1,121,576)	6,743,416	15,176,430	3,766,351	1,500,000
2036	88,143,610	79,491,717	8,651,893	2,690,538	5,602,214	910,586	(1,040,143)	(1,020,656)	7,142,539	16,912,313	3,906,656	1,500,000
2037	92,165,960	85,828,226	6,337,734	2,810,725	5,798,291	1,014,738	(1,159,114)	(902,089)	7,562,551	18,911,615	4,063,248	1,500,000
2038	96,332,050	92,544,926	3,787,124	2,943,467	0	1,134,698	(1,296,140)	(765,561)	2,016,464	15,186,581	4,241,498	1,500,000
2039	100,815,880	99,664,628	1,151,252	3,079,043	0	911,195	(1,040,838)	(1,018,771)	1,930,629	11,159,537	4,457,673	1,500,000
2040	105,387,132	107,211,512	(1,824,380)	3,226,802	0	669,573	(764,838)	(1,292,707)	1,838,830	10,166,423	4,656,324	(1,824,380)
2041	110,239,913	111,738,326	(1,498,413)	3,380,820	0	609,986	(696,773)	(1,359,262)	1,934,771	8,707,752	4,891,855	(1,498,413)
2042	115,302,204	116,877,277	(1,575,073)	3,547,479	0	522,464	(596,801)	(1,457,673)	2,015,469	7,226,149	5,072,145	(1,575,073)
2043	120,590,167	122,244,481	(1,654,314)	3,721,851	0	433,569	(495,257)	(1,557,542)	2,102,621	5,676,938	5,306,146	(1,654,314)
2044	126,139,426	127,850,937	(1,711,511)	3,907,718	0	340,617	(389,079)	(1,649,749)	2,209,507	4,042,023	5,555,933	(1,711,511)
2045	132,131,236	133,734,028	(1,602,792)	4,101,834	0	242,521	(277,026)	(1,748,037)	2,319,292	2,136,097	5,828,010	(1,602,792)
2046	138,386,752	140,083,680	(1,696,928)	4,305,084	0	128,167	(146,401)	200,401	4,487,251	2,263,102	6,057,174	(1,696,928)
2047	144,930,041	146,715,970	(1,785,929)	4,517,470	0	135,786	(155,105)	219,005	4,717,156	2,475,867	6,290,320	(1,785,929)

EXHIBIT C

Projected Cash Flows (Open Group) – Partial Funding Approach

Total Medical, Dental & Life Insurance - UAAL Fully Funded by 2033 (6.00% discount rate)

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of June 30	II. Plan Assets as of June 30	III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization (increasing at 3.50%)	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Excess Employer Payments (beyond claims)
2016	33,668,166	6,426,846	27,241,320	1,149,805	2,815,483	515,997	(589,411)	(1,475,139)	2,416,735	8,599,930	1,253,500	2,050,000
2017	35,578,344	8,788,210	26,790,134	1,206,538	2,914,025	495,790	(566,331)	(1,498,219)	2,551,803	8,263,165	1,351,320	2,050,000
2018	37,559,575	11,457,077	26,102,498	1,254,886	3,016,016	477,819	(545,802)	(1,518,748)	2,684,171	7,963,648	1,455,881	2,050,000
2019	39,600,095	14,286,076	25,314,019	1,312,536	3,121,576	461,517	(527,180)	(1,537,370)	2,831,079	7,691,938	1,593,419	2,050,000
2020	41,678,363	17,284,815	24,393,548	1,367,793	3,230,831	445,776	(509,201)	(1,555,349)	2,979,850	7,429,598	1,668,274	2,050,000
2021	43,860,556	20,463,479	23,397,077	1,424,773	3,343,910	434,471	(496,286)	(1,568,156)	3,138,712	7,241,174	1,773,949	2,050,000
2022	46,122,062	23,832,863	22,289,199	1,491,502	3,460,947	426,357	(487,018)	(1,576,678)	3,315,110	7,105,937	1,882,883	2,050,000
2023	48,473,004	27,404,410	21,068,594	1,550,057	3,582,080	422,290	(482,372)	(1,580,646)	3,491,409	7,038,165	1,970,317	2,050,000
2024	50,933,606	31,190,249	19,743,357	1,618,460	3,707,453	423,555	(483,819)	(1,578,588)	3,687,061	7,059,258	2,082,666	2,050,000
2025	53,494,474	35,203,239	18,291,235	1,688,240	3,837,214	429,819	(490,974)	(1,570,891)	3,893,408	7,163,653	2,207,906	2,050,000
2026	56,148,252	39,457,008	16,691,244	1,760,137	3,971,517	440,950	(503,687)	(1,557,708)	4,111,209	7,349,155	2,340,838	2,050,000
2027	58,899,115	43,966,003	14,933,112	1,825,855	4,110,519	457,171	(522,217)	(1,538,779)	4,332,549	7,619,525	2,503,717	2,050,000
2028	61,702,330	48,745,538	12,956,792	1,903,670	4,254,387	476,902	(544,754)	(1,515,911)	4,574,294	7,948,357	2,677,881	2,050,000
2029	64,581,583	53,811,845	10,769,738	1,988,636	4,403,290	500,686	(571,923)	(1,488,481)	4,832,208	8,344,771	2,822,405	2,050,000
2030	67,561,398	59,182,131	8,379,267	2,075,176	4,557,405	531,275	(606,863)	(1,453,353)	5,103,640	8,854,575	2,934,975	2,050,000
2031	70,686,029	64,874,634	5,811,395	2,163,792	4,716,914	571,394	(652,692)	(1,407,414)	5,391,994	9,523,240	3,077,173	2,050,000
2032	73,892,423	70,908,687	2,983,736	2,256,339	4,882,007	620,283	(708,537)	(1,351,538)	5,698,554	10,338,061	3,237,493	2,050,000
2033	77,240,528	77,304,783	(64,255)	2,356,525	5,052,876	677,947	(774,405)	(1,285,721)	6,027,222	11,299,122	3,420,500	(64,255)
2034	80,736,485	81,875,945	(1,139,460)	2,462,144	5,229,726	744,351	(850,256)	(1,210,007)	6,375,958	12,405,844	3,582,436	(1,139,460)
2035	84,380,273	85,598,141	(1,217,868)	2,569,173	5,412,767	821,962	(938,910)	(1,121,576)	6,743,416	13,699,366	3,766,351	(1,217,868)
2036	88,143,610	89,461,758	(1,318,148)	2,690,538	5,602,214	910,586	(1,040,143)	(1,020,656)	7,142,539	15,176,430	3,906,656	(1,318,148)
2037	92,165,960	93,452,433	(1,286,473)	2,810,725	5,798,291	1,014,738	(1,159,114)	(902,089)	7,562,551	16,912,313	4,063,248	(1,286,473)
2038	96,332,050	97,715,638	(1,383,588)	2,943,467	0	1,134,698	(1,296,140)	(765,561)	8,000,000	18,911,615	4,241,498	(1,383,588)
2039	100,815,880	102,133,182	(1,317,302)	3,079,043	0	911,195	(1,040,838)	(1,018,771)	8,500,000	15,186,581	4,457,673	(1,317,302)
2040	105,387,132	106,885,026	(1,497,894)	3,226,802	0	669,573	(764,838)	(1,292,707)	9,000,000	11,159,537	4,656,324	(1,497,894)
2041	110,239,913	111,733,322	(1,493,409)	3,380,820	0	609,986	(696,773)	(1,359,262)	9,500,000	10,166,423	4,891,855	(1,493,409)
2042	115,302,204	116,877,201	(1,574,997)	3,547,479	0	522,464	(596,801)	(1,457,673)	10,000,000	8,707,752	5,072,145	(1,574,997)
2043	120,590,167	122,244,480	(1,654,313)	3,721,851	0	433,569	(495,257)	(1,557,542)	10,500,000	7,226,149	5,306,146	(1,654,313)
2044	126,139,426	127,850,937	(1,711,511)	3,907,718	0	340,617	(389,079)	(1,649,749)	11,000,000	5,676,938	5,555,933	(1,711,511)
2045	132,131,236	133,734,028	(1,602,792)	4,101,834	0	242,521	(277,026)	(1,748,037)	11,500,000	4,042,023	5,828,010	(1,602,792)
2046	138,386,752	140,083,680	(1,696,928)	4,305,084	0	128,167	(146,401)	200,401	12,000,000	2,136,097	6,057,174	(1,696,928)
2047	144,930,041	146,715,970	(1,785,929)	4,517,470	0	135,786	(155,105)	219,005	12,500,000	2,263,102	6,290,320	(1,785,929)

EXHIBIT C

Projected Cash Flows (Open Group) – Partial Funding Approach

Total Medical, Dental & Life Insurance - UAAL Fully Funded by 2033 (5.00% discount rate)

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of June 30	II. Plan Assets as of June 30	III. Unfunded Accrued Actuarial Liability ("UAAL") - II.]	[I.	IV. Normal Cost	V. Expected Amortization (increasing at 3.50%)	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
2016	38,601,972	6,426,846	32,175,126		1,491,142	2,567,370	429,997	(532,798)	(1,027,784)	2,927,927	8,599,930	1,253,500	1,500,000
2017	40,781,595	8,788,210	31,993,385		1,562,827	2,657,228	438,718	(543,604)	(1,016,978)	3,098,191	7,621,228	1,351,320	2,900,000
2018	43,042,756	12,127,621	30,915,135		1,624,351	2,750,231	381,061	(472,164)	(1,088,418)	3,195,061	6,460,408	1,455,881	2,900,000
2019	45,371,787	15,634,002	29,737,785		1,697,845	2,846,489	323,020	(400,247)	(1,160,335)	3,306,772	5,273,761	1,593,419	2,900,000
2020	47,750,022	19,315,702	28,434,320		1,768,878	2,946,116	263,688	(326,729)	(1,233,372)	3,418,581	4,124,068	1,668,274	2,900,000
2021	50,243,158	23,181,487	27,061,671		1,842,169	3,049,230	206,203	(255,501)	(1,303,548)	3,538,553	2,988,672	1,773,949	2,900,000
2022	52,826,948	27,240,561	25,586,387		1,927,863	3,155,952	149,434	(185,159)	(1,372,918)	3,675,172	1,880,961	1,882,883	2,900,000
2023	55,513,585	31,502,589	24,010,996		2,003,554	3,266,410	94,048	(116,532)	(1,440,655)	3,806,825	817,469	1,970,317	2,900,000
2024	58,321,268	35,977,718	22,343,550		2,091,870	3,380,734	40,874	(50,645)	(1,505,730)	3,957,103	(208,094)	2,082,666	2,900,000
2025	61,243,266	40,676,604	20,566,662		2,181,894	3,499,060	(10,405)	12,892	(1,524,103)	4,159,338	(1,156,662)	2,207,906	2,900,000
2026	64,272,122	45,610,434	18,661,688		2,274,831	3,621,527	(57,833)	71,659	(1,522,863)	4,387,321	(2,010,179)	2,340,838	2,900,000
2027	67,413,248	50,790,956	16,622,292		2,361,051	3,748,280	(100,510)	124,538	(1,522,433)	4,610,926	(2,802,970)	2,503,717	2,900,000
2028	70,619,151	56,230,504	14,388,647		2,462,540	3,879,469	(140,149)	173,654	(1,522,680)	4,852,834	(3,528,017)	2,677,881	2,900,000
2029	73,921,134	61,942,029	11,979,105		2,573,290	4,015,250	(176,401)	218,574	(1,523,799)	5,106,914	(4,143,508)	2,822,405	2,900,000
2030	77,342,467	67,939,130	9,403,337		2,686,439	4,155,784	(207,174)	256,706	(1,525,849)	5,365,906	(4,612,577)	2,934,975	2,900,000
2031	80,927,203	74,236,087	6,691,116		2,802,214	4,301,236	(230,629)	285,767	(1,528,382)	5,630,206	(4,959,544)	3,077,173	2,900,000
2032	84,606,506	80,847,891	3,758,615		2,923,159	4,451,779	(247,977)	307,262	(1,531,572)	5,902,651	(5,194,386)	3,237,493	2,900,000
2033	88,452,637	87,790,286	662,351		3,053,907	4,607,591	(259,720)	321,812	(1,535,349)	6,188,241	(3,088,996)	3,420,500	662,351
2034	92,476,965	92,842,151	(365,186)		3,191,679	4,768,857	(154,450)	191,375	(1,535,437)	6,462,024	155,778	3,582,436	(365,186)
2035	96,674,571	97,119,073	(444,502)		3,331,562	4,935,767	7,789	(9,651)	(1,533,916)	6,731,551	3,565,480	3,766,351	(444,502)
2036	101,014,296	101,530,525	(516,229)		3,489,640	5,108,518	178,274	(220,895)	(1,333,441)	7,222,096	7,397,149	3,906,656	(516,229)
2037	105,647,469	106,090,822	(443,353)		3,646,676	5,287,316	369,857	(458,281)	(1,096,836)	7,748,732	11,525,986	4,063,248	(443,353)
2038	110,448,935	110,952,010	(503,075)		3,819,928	0	576,299	(714,078)	(841,864)	2,840,285	10,627,848	4,241,498	(503,075)
2039	115,608,183	115,996,536	(388,353)		3,997,083	0	531,393	(658,435)	(896,222)	2,973,819	9,532,347	4,457,673	(388,353)
2040	120,884,940	121,408,010	(523,070)		4,190,008	0	476,617	(590,564)	(962,801)	3,113,260	8,512,353	4,656,324	(523,070)
2041	126,485,359	126,955,341	(469,982)		4,391,249	0	425,617	(527,372)	(1,024,731)	3,264,763	7,355,243	4,891,855	(469,982)
2042	132,314,629	132,833,126	(518,497)		4,609,010	0	367,763	(455,685)	(1,091,550)	3,429,538	6,231,133	5,072,145	(518,497)
2043	138,422,099	138,956,285	(534,186)		4,836,781	0	311,557	(386,042)	(1,148,917)	3,613,379	5,072,552	5,306,146	(534,186)
2044	144,834,991	145,369,913	(534,922)		5,079,485	0	253,628	(314,264)	(1,208,220)	3,810,629	3,862,170	5,555,933	(534,922)
2045	151,752,602	152,103,487	(350,885)		5,333,157	0	193,109	(239,277)	(1,270,936)	4,016,053	2,401,098	5,828,010	(350,885)
2046	158,983,247	159,357,776	(374,529)		5,598,959	0	120,055	(148,757)	212,096	5,782,353	2,500,806	6,057,174	(374,529)
2047	166,550,834	166,951,136	(400,302)		5,876,911	0	125,040	(154,934)	227,844	6,074,861	2,685,649	6,290,320	(400,302)

EXHIBIT D

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - UAAL Fully Funded by 2033 (7.00% discount rate)

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of June 30	II. Plan Assets as of June 30	III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization (increasing at 3.50%)	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
2016	29,653,996	6,426,846	23,227,150	895,563	3,074,074	601,996	(647,698)	(1,923,342)	2,000,593	8,599,930	1,253,500	1,500,000
2017	31,346,783	8,788,210	22,558,573	941,012	3,181,667	549,292	(590,994)	(1,980,046)	2,100,931	7,847,023	1,351,320	1,500,000
2018	33,102,028	10,903,385	22,198,643	979,477	3,293,026	496,764	(534,479)	(2,036,561)	2,198,227	7,096,634	1,455,881	1,500,000
2019	34,909,417	13,166,622	21,742,795	1,025,252	3,408,282	443,729	(477,417)	(2,093,623)	2,306,223	6,338,980	1,593,419	1,500,000
2020	36,745,137	15,588,286	21,156,851	1,068,763	3,527,572	388,625	(418,129)	(2,152,911)	2,413,920	5,551,784	1,668,274	1,500,000
2021	38,675,820	18,179,466	20,496,354	1,113,613	3,651,037	335,820	(361,315)	(2,208,845)	2,530,310	4,797,430	1,773,949	1,500,000
2022	40,676,567	20,952,029	19,724,538	1,166,206	3,778,824	283,765	(305,310)	(2,263,894)	2,659,591	4,053,791	1,882,883	1,500,000
2023	42,755,883	23,918,671	18,837,212	1,212,061	3,911,083	233,135	(250,834)	(2,317,493)	2,787,952	3,330,499	1,970,317	1,500,000
2024	44,935,619	27,092,978	17,842,641	1,265,688	4,047,970	185,370	(199,443)	(2,368,086)	2,931,499	2,648,134	2,082,666	1,500,000
2025	47,204,358	30,489,486	16,714,872	1,320,436	4,189,649	139,787	(150,400)	(2,416,413)	3,083,059	1,996,967	2,207,906	1,500,000
2026	49,554,792	34,123,750	15,431,042	1,376,737	4,336,287	96,048	(103,341)	(2,462,841)	3,242,890	1,372,120	2,340,838	1,500,000
2027	51,990,076	38,012,413	13,977,663	1,427,412	4,488,057	54,192	(58,306)	(2,507,330)	3,404,025	774,172	2,503,717	1,500,000
2028	54,467,714	42,173,282	12,294,432	1,487,788	4,645,139	12,213	(13,140)	(2,522,099)	3,609,901	174,480	2,677,881	1,500,000
2029	57,005,325	46,625,412	10,379,913	1,553,748	4,807,719	(27,545)	29,636	(2,521,823)	3,841,735	(393,500)	2,822,405	1,500,000
2030	59,628,481	51,389,191	8,239,290	1,620,709	4,975,989	(61,191)	65,838	(2,522,547)	4,078,798	(874,170)	2,934,975	1,500,000
2031	62,381,539	56,486,434	5,895,105	1,689,329	5,150,149	(86,124)	92,663	(2,523,755)	4,322,262	(1,230,347)	3,077,173	1,500,000
2032	65,206,205	61,940,484	3,265,721	1,760,978	5,330,404	(103,968)	111,861	(2,525,665)	4,573,610	(1,485,258)	3,237,493	1,500,000
2033	68,152,410	67,776,318	376,092	1,838,653	5,516,968	(115,440)	124,204	(2,528,209)	4,836,176	(1,649,141)	3,420,500	376,092
2034	71,221,978	72,896,752	(1,674,774)	1,920,590	5,710,062	(42,669)	45,909	(2,529,018)	5,104,874	(609,557)	3,582,436	(1,674,774)
2035	74,418,872	76,324,751	(1,905,879)	2,003,457	5,909,914	181,136	(194,888)	(2,370,631)	5,528,988	2,587,655	3,766,351	(1,905,879)
2036	77,717,060	79,761,605	(2,044,545)	2,097,753	6,116,761	437,931	(471,180)	(2,095,406)	6,085,859	6,256,171	3,906,656	(2,044,545)
2037	81,246,645	83,300,372	(2,053,727)	2,190,829	6,330,848	733,594	(789,289)	(1,778,471)	6,687,511	10,479,919	4,063,248	(2,053,727)
2038	84,900,124	87,077,671	(2,177,547)	2,293,748	0	1,061,053	(1,141,609)	(1,427,405)	785,787	15,157,909	4,241,498	(2,177,547)
2039	88,839,441	90,995,561	(2,156,120)	2,398,744	0	971,582	(1,045,344)	(1,521,758)	803,224	13,879,745	4,457,673	(2,156,120)
2040	92,841,728	95,209,130	(2,367,402)	2,513,281	0	866,699	(932,498)	(1,632,678)	814,804	12,381,416	4,656,324	(2,367,402)
2041	97,091,759	99,506,367	(2,414,608)	2,632,596	0	763,511	(821,477)	(1,741,802)	832,828	10,907,298	4,891,855	(2,414,608)
2042	101,535,624	104,057,205	(2,521,581)	2,761,706	0	648,402	(697,628)	(1,863,752)	848,728	9,262,879	5,072,145	(2,521,581)
2043	106,163,060	108,819,628	(2,656,568)	2,896,842	0	529,273	(569,455)	(1,990,034)	866,626	7,561,043	5,306,146	(2,656,568)
2044	111,016,317	113,780,434	(2,764,117)	3,040,941	0	404,466	(435,174)	(2,122,437)	887,796	5,778,091	5,555,933	(2,764,117)
2045	116,262,894	118,980,947	(2,718,053)	3,191,327	0	271,185	(291,774)	(2,257,078)	913,660	3,874,071	5,828,010	(2,718,053)
2046	121,733,433	124,591,560	(2,858,127)	3,348,675	0	117,444	(126,360)	164,466	3,504,225	1,677,774	6,057,174	(2,858,127)
2047	127,451,975	130,454,842	(3,002,867)	3,512,990	0	138,807	(149,344)	197,437	3,699,890	1,982,952	6,290,320	(3,002,867)

EXHIBIT D

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - Partial Funding					
Fiscal Year	Number of Retirees, Spouses & Surviving Spouses	Total Actuarial Accrued Liability ("AAL")	Present Value at 3.50% of Total Actuarial Accrued Liability ("AAL")	Employer Share of Premiums / Claims including "implicit cost"	Present Value at 3.50% of Employer Share of Premiums / Claims including "implicit cost"
2016	324	33,668,166	33,668,166	1,253,500	1,253,500
2017	340	35,578,344	34,375,212	1,351,320	1,305,623
2018	349	37,559,575	35,062,265	1,455,881	1,359,080
2019	360	39,600,095	35,717,017	1,593,419	1,437,173
2020	370	41,678,363	36,320,285	1,668,274	1,453,804
2021	379	43,860,556	36,929,411	1,773,949	1,493,617
2022	389	46,122,062	37,520,327	1,882,883	1,531,727
2023	396	48,473,004	38,099,343	1,970,317	1,548,651
2024	404	50,933,606	38,679,569	2,082,666	1,581,601
2025	408	53,494,474	39,250,552	2,207,906	1,620,009
2026	413	56,148,252	39,804,552	2,340,838	1,659,464
2027	418	58,899,115	40,342,696	2,503,717	1,714,910
2028	425	61,702,330	40,833,571	2,677,881	1,772,177
2029	432	64,581,583	41,293,732	2,822,405	1,804,657
2030	437	67,561,398	41,738,201	2,934,975	1,813,174
2031	440	70,686,029	42,191,828	3,077,173	1,836,736
2032	444	73,892,423	42,614,197	3,237,493	1,867,081
2033	447	77,240,528	43,038,714	3,420,500	1,905,916
2034	449	80,736,485	43,465,386	3,582,436	1,928,644
2035	451	84,380,273	43,890,879	3,766,351	1,959,089
2036	453	88,143,610	44,297,971	3,906,656	1,963,352
2037	453	92,165,960	44,753,108	4,063,248	1,972,995
2038	454	96,332,050	45,194,242	4,241,498	1,989,901
2039	454	100,815,880	45,698,390	4,457,673	2,020,599
2040	455	105,387,132	46,155,046	4,656,324	2,039,270
2041	456	110,239,913	46,647,687	4,891,855	2,069,974
2042	457	115,302,204	47,139,885	5,072,145	2,073,684
2043	458	120,590,167	47,634,592	5,306,146	2,095,993
2044	460	126,139,426	48,141,659	5,555,933	2,120,446
2045	462	132,131,236	48,723,149	5,828,010	2,149,068
2046	463	138,386,752	49,304,212	6,057,174	2,158,040
2047	463	144,930,041	49,889,319	6,290,320	2,165,319
2048	465	151,746,624	50,469,365	6,631,237	2,205,481
2049	466	159,007,922	51,096,037	6,960,605	2,236,740
2050	467	166,772,195	51,778,773	7,283,414	2,261,326
2051	468	174,607,717	52,378,275	7,674,807	2,302,265
2052	470	182,976,680	53,032,628	8,105,196	2,349,151
2053	471	191,881,598	53,732,913	8,421,788	2,358,367
2054	472	201,192,887	54,435,138	8,759,512	2,369,991
2055	472	211,388,144	55,259,504	9,199,448	2,404,851

EXHIBIT E

GLOSSARY

AAL – Actuarial Accrued Liability. That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

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.

Actuarial Value of Assets – The value of cash, investments, other assets and property belonging to an OPEB trust, pension fund or similar entity, as used by the actuary for the purpose of actuarial valuation. Some funds may be restricted for other purposes, and “smoothing” of investment gains and losses often make the actuarial value of assets different from the market value of assets.

Annual Required Contribution – Normal Cost plus an amortization of the funding shortfall over a period of no more than 30 years.

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

Discount Rate – The interest rate used to calculate present value of a series of future cash flows. Under GASB 45, the rate should be “long term expected yield on the investments that are expected to be used to pay benefits as they come due. These would be plan investments for a funded plan, the employer’s investments for a pay as you go plan [e.g. short term county investment pool], or a weighted average of expected plan and employer investments for a plan that is partially funded”.

FASB – Financial Accounting Standards Board. “Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting”.

GASB - Government Accounting Standards Board. “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.”

EXHIBIT E**GLOSSARY***(continued)*

GFOA – Government Finance Officers Association. “GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.”

Implicit Subsidy – “The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.”

Irrevocable Contribution – “Irrevocably transferred assets to a qualifying trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator. The preceding criteria preclude counting as [irrevocable] contributions (a) designations of net assets of a governmental or proprietary fund to be used for OPEB or (b) internal transfers of assets to a separate governmental or proprietary fund for the same purpose. Rather, such actions should be regarded as earmarking of employer assets.”

Level Dollar Amortization – Funding a shortfall in OPEB assets with equal dollar payments over a designated number of years (no more than 30 years). The present value of the level payments equals the present value of unfunded liabilities, the UAAL.

Level Percent of Payroll Amortization – Funding a shortfall in OPEB assets as a level percent of payroll over a designated number of years (no more than 30 years). The present value of the payments equals the present value of unfunded liabilities, the UAAL. Level percent of payroll typically has lower payments in the early years than level dollar amortization. When using level payroll amortization, employee count is assumed to be constant, and the payroll differences arise from overall wage trends.

EXHIBIT E**GLOSSARY***(continued)*

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

NOA – Net OPEB Asset. The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.

NOO – Net OPEB Obligation. The cumulative difference since the effective date of GASB Statement number 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

OPEB – Other Post Employment Benefits

OPEB Trust – An entity other than a pension or retirement system which manages OPEB assets. In many respects it is similar to a pension fund for OPEB. For reasons detailed in GASB 45, contributions to an OPEB trust should be irrevocable in order to obtain the most favorable accounting treatment.

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.

POB – Pension Obligation Bond. Generally yielding taxable interest, POBs are issued to help fund a previously unfunded or underfunded pension liability.

UAAL – Unfunded Accrued Actuarial Liability. Actuarial Accrued Liability minus the Actuarial Value of Assets.