

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

February 2, 2026, 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. Appointment Consideration: Alyssa Blake – Agricultural Committee; Katie Ryan – Affordable Housing Committee
2. Discussion/Vote: Local Historic District Study Committee for Rabbit Hill
3. **Contract Approval: Community Impact Inc. for Co-response Clinician (Police Dept) - \$65,000**
4. Presentation: Capital Plan Recommendation by the Capital Improvement Planning Committee
5. Presentation: Fiscal Year 2025 Audit by Roselli & Clark Associates
6. Presentation: OPEB (Other Post Employment Benefits) Actuarial Report by Odessey Associates
7. Discussion: Select Board Sponsorship – Friends of Medway Library Mini-Golf Tournament
8. Action Items from Previous Meeting
9. Town Manager's Report
10. This time is being reserved for topics that the Chair did not reasonably anticipate would be discussed
11. Select Board Reports
12. Executive Session pursuant to G.L. c. 30A, sec. 21(a)(6) to consider the purchase, exchange, 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 - 25, 33, 34, and 38 Winthrop St; 13 Populatic St; and 72A and 72B Main St

For more information on agenda items, please visit the Select Board's page at [medwayma.gov](https://www.medwayma.gov)

Upcoming Meetings, Agenda and Reminders

February 17, 2026 (Holiday Week)

March 2, 2026

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/>
 - Livestream via www.medwaycable.com

AGENDA ITEM

#1

Appointment Consideration- Alyssa Blake-Agricultural Committee and Katie Ryan-Affordable Housing Committee

Associated back up materials attached:

- *Statement of Interest from Alyssa Blake and Recommendation of Agricultural Committee*
- *Statement of Interest from Katie Ryan and Recommendation of Affordable Housing Committee*

Proposed Motions:

I move that the Board appoint Alyssa Blake to the Agricultural Committee for a three-year term.

I move that the Board appoint Katie Ryan to the Affordable Housing Committee for a two-year term expiring on June 30, 2027.

From: Alyssa Blake

Sent: Saturday, December 20, 2025 4:23 PM

To: Select Board <BOS@medwayma.gov>

Subject: [External] Medway Agricultural Committee Community Member

Hello,

I am writing to ask for more information on the Medway Agricultural Committee Community Member. I reside in Medway and have interest in agricultural and farming traditions. I am a Medway Community Farm Member and am continually working to better our own family garden.

Would love to know more and how best I may be able to support the Medway Agricultural Community.

Thank you,

Alyssa Blake

From: Tiffany Henault

Sent: Saturday, January 17, 2026 2:53 PM

To: Natalie Lennon <nlennon@medwayma.gov>;

Subject: [External] Recommendation for Alyssa Blake to Ag Committee

Town of Medway
Board of Selectmen
Town Hall
[155 Village Street](#)
[Medway, MA 02053](#)

January 17th 2026

Dear Members of the Board of Selectmen,

I am writing to recommend Alyssa Blake for appointment to the Medway Agricultural Committee.

Ms. Blake resides at [26 Dogwood Lane, Medway](#), and has been a member of the Medway community for nearly seven years. During that time, she has demonstrated a genuine interest in agriculture, sustainability, and community involvement within the town.

Alyssa holds an educational background in Animal Science from the University of Massachusetts Amherst, giving her a strong foundation in agricultural practices from a large-animal and farm management perspective. In addition to her academic background, she actively gardens, is in the process of establishing a small backyard orchard, and is a member of the Medway Community Farm, reflecting her ongoing commitment to local agriculture and food systems.

I believe Alyssa would be a valuable asset to the Agricultural Committee. She brings both practical knowledge and enthusiasm, along with a thoughtful, community-minded approach. Her background and interest in agriculture would allow her to contribute meaningfully to discussions and initiatives supporting Medway's agricultural interests.

I respectfully encourage the Board to give her application favorable consideration. Please feel free to contact me should you require any additional information.

Sincerely,

Tiffany Henault

From: Katie Ryan

Sent: Thursday, October 16, 2025 10:58 PM

To: Select Board <BOS@medwayma.gov>

Subject: [External] Affordable housing committee membership submission

To whom it may concern:

I'm Katie Ryan, and I live at [127A Village Street](#) in Medway. I grew up in Medway, have moved away a couple of times and always came back because this is my home. I love this town and the community and feel extremely lucky to have found a way to live here and raise my son here. I would love to be part of helping the town give other people the opportunity to do so as well. For that reason, I would like to be considered for the open position on the Affordable Housing Committee.

I'm currently employed by Riverside Community Care and spent time covering shifts at the Village Street group living environment. I was first a counselor on the ACCS mobile team in Milford and am now with Riverside as a housing coordinator out of the Dedham office, though I'm still connected to the Milford office too. I am a co-chair of the State Mental Health Planning Council's Housing Subcommittee and a member of both CHAPA's MRVP Coalition as well as the Supportive Housing Pipeline Coalition. Housing policy and access is more than a job for me - I am deeply invested in and committed to it and really love it. Housing First is a model that I'm in strong support of and I would love the opportunity to learn from and bring my experience to the committee to join the effort of helping the town I love so much achieve goals related to the cause I'm most invested in. I've wanted to be involved in this committee of the town since I moved back here 7 years ago and I now feel as though I have valuable knowledge and experience to be of service. While my vocational focus primarily relates to serving those with significant mental health challenges, it is important to me that available resources are maximized to meet the needs of all that we can. The housing crisis we find ourselves in is the worst in modern history and I want to be part of developing creative, actionable, and realistic paths to solutions.

I look forward to meeting with the Affordable Housing Committee and the Select Board to continue this conversation.

Sincerely,

Katie Ryan

From: Barbara Saint Andre <bsaintandre@medwayma.gov>

Sent: Tuesday, January 20, 2026 12:07 PM

To: Natalie Lennon <nlennon@medwayma.gov>; Allison Potter <apotter@medwayma.gov>

Subject: RE: Candidates for Affordable Housing Committee

Good morning, at the AHC/AHT meeting last Wednesday night, the AHC spoke with Katie Ryan and voted unanimously (4-0) to recommend that the Select Board appoint her to the AHC. Can this be placed on the next SB agenda? Please let me know, thanks. (Susan Dietrich withdrew her application to be on the AHC due to other commitments.)

Barbara J. Saint Andre
Director, Community and Economic Development
Town of Medway
155 Village Street
Medway, MA 02053
(508) 321-4918
medwayma.gov



AGENDA ITEM

#2

Discussion/Vote:

Local Historic District Study Committee for Rabbit Hill

Associated back up materials attached:

- *1/22/26 Memo from Barbara Saint Andre to Select Board*
- *12/17/21 Memo from Barbara Saint Andre to Historical Commission*

Proposed Motions:

I move that the Board establish a Local Historic District Study Committee in accordance with General Laws chapter 40C, section 4, to consist of not less than five nor more than seven members, for the purpose of making an investigation of the desirability of establishing an historic district or districts.



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
**COMMUNITY AND ECONOMIC
DEVELOPMENT**

Medway Town Hall
155 Village Street
Medway, MA 02053
Telephone (508) 321-4918
Email:
bsaintandre@medwayma.gov
www.medwayma.gov

Director

Barbara J. Saint Andre

**To: Select Board
Michael Boynton, Town Manager**

**From: Barbara J. Saint Andre
Director, Community and Economic Development**

Re: Rabbit Hill Local Historic District

Date: January 22, 2026

As you may recall, the Historical Commission has been exploring the possibility of establishing a Local Historic District (LHD) under G.L. chapter 40C for a portion of the Rabbit Hill National Historic District. The National Historic District designation for Rabbit Hill is an important recognition of this historic area, but does not provide any protections to preserve its historic nature. The Historical Commission believes that establishing a LHD will help preserve the character and historic significance of our Rabbit Hill historic area. Property located in a local historic district means that there will be some restrictions that apply to the exterior of buildings. In a local historic district, exterior architectural features visible from a public way are reviewed by a locally appointed Historic District Commission to make sure that the proposed changes are appropriate to the historic character of the district.

The Historical Commission has been considering this matter, and conducting public outreach, for some time. In 2024, the Commission mailed all property owners in the Rabbit Hill NHD information on local historic districts, as well as a questionnaire to gauge public support. In 2024 and 2025, the Commission continued outreach to persons who expressed interest in being part of a LHD. In September of last year, the Commission held a public meeting, to which all property owners in the Rabbit Hill National Historic District were invited by mailed invitations. Over 20 people attended the meeting, where the members explained how a local historic district works, and the process for establishing one. It is clear that a number of residents support the establishment of a LHD. It also seems likely that establishing a LHD that encompasses the entire Rabbit Hill NHD would be too ambitious for an initial LHD.

The Historical Commission requests that the Select Board support the establishment of a Local Historic District Study Committee, which is the first step that must be taken in order to determine whether to proceed with a proposed LHD. The process for establishing a LHD is somewhat lengthy. The first step is for the Select Board to appoint a Local Historic District Study Committee (LHDSC), consisting of between three and seven members. The LHDSC will

be responsible for conducting an investigation of the desirability of establishing a local historic district, developing a report to present its findings and recommendations, and conducting a public hearing on the proposal prior to its consideration by town meeting. Town Meeting would need to adopt a LHD bylaw by a two-thirds vote.

State law, chapter 40C, section 4 requires a nomination process for the LHDSC that includes the Medway Historical Society, local Board of Realtors and local branch of the American Institute of Architects. Each organization is requested to submit two nominees, who are not required to be from among the membership of the organizations. If the organization submits the nominees within thirty days, then the Select Board must choose one of the nominees. If any of the organizations fail to submit nominees within thirty days, then the Select Board may appoint anyone they wish.

Attached is a memorandum from 2021 outlining the procedures for establishing a LHD. Members of the Commission will be happy to explain in further detail and answer any questions you may have.



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
**COMMUNITY AND ECONOMIC
DEVELOPMENT**

*Medway Town Hall
155 Village Street
Medway, MA 02053
Telephone (508) 321-4918
Email:
bsaintandre@townofmedway.org
www.townofmedway.org*

To: Historical Commission

**From: Barbara J. Saint Andre
Director, Community and Economic Development**

Re: Process for Establishing a Local Historic District

Date: December 17, 2021

You have asked me to provide you with an outline of the procedure for establishing a local historic district under General Laws chapter 40C. Please note that local historic districts, unlike National Register historic districts, impose restrictions on the owners of property in the district as to exterior changes to structures, and, in some cases, the landscape itself. The level of restrictions is determined during the process of establishing the district, and must be approved by means of a local by-law that is enacted by the Town.

Back in May of this year, Paul Russell emailed two documents from the Mass. Historical Commission to all of you that detail the many steps required to establish a local historic district. If you need another copy forwarded to you, please let us know. The following is a much simplified version of the process; please refer to the documents from the Mass. Historical Commission for a full explanation.

Prior to taking the steps below, the Historical Commission should review the areas that it believes warrant the establishment of a local historic district, including any preliminary research to help guide the District Study Committee. The entire process is somewhat involved and requires a commitment of time and resources, which we can discuss at the Commission's meetings.

A. The Local Historic District Study Committee

1. Select Board votes to establish a local historic district study committee and appoint the members. See G.L. c. 40C, §4 for details on appointment requirements.
2. The study committee must investigate and report on the historical and architectural significance of the buildings, structures or sites to be included in the district. G.L. c. 40C, §3.
3. The study committee investigation should include research of historical structures and sites, preparing draft maps of the district(s), and contacting owners of properties under consideration for inclusion in the district(s). The Massachusetts Historical Commission recommends conducting a comprehensive community survey prior to establishing historic

districts, and also recommends a Mass. Historic District inventory form for every property in the proposed district.

4. The study committee must prepare a preliminary study report on the proposed historic districts, and must submit the report to the Mass. Historical Commission and the Medway Planning and Economic Development Board for their review and recommendations. G.L. c. 40C, §3.

5. Not less than sixty days after such transmittal the study committee shall hold a public hearing on the report, after due notice given at least fourteen days prior to the date thereof, which shall include a written notice mailed postage prepaid, to the owners as they appear on the most recent real estate tax list of the board of assessors of all properties to be included in such district or districts. G.L. c. 40C, §3.

6. Following the public hearing, a final report is prepared by the study committee, which must be accompanied by a map of the proposed district, and a proposed local by-law to govern the historic districts(s). G.L. c. 40C, §3.

7. The Town Meeting must approve the Historic District Bylaw by a two-thirds vote. G.L. c. 40C, §3.

B. The Local Historic District

1. After the Town Meeting approves the by-law, the Select Board must appoint an Historic District Commission. See G.L. c. 40C, §4 for details.

2. The by-law will contain certain restrictions on the properties in the districts, and require that property owners obtain the applicable certificate from the Historic District Commission prior to performing any exterior work that is regulated by the by-law. General Laws c. 40C, §6 provides in part: “Except as the ordinance or by-law may otherwise provide in accordance with section eight or said section eight or nine, no building or structure within an historic district shall be constructed or altered in any way that affects exterior architectural features unless the commission shall first have issued a certificate of appropriateness, a certificate of non-applicability or a certificate of hardship with respect to such construction or alteration.”

3. General Laws chapter 40C, §8 provides in part that the by-law may exempt one or more of the following categories from the authority of the historic district commission:

- (1) Temporary structures or signs, subject, however, to such conditions as to duration of use, location, lighting, removal and similar matters as the commission may reasonably specify.
- (2) Terraces, walks, driveways, sidewalks and similar structures, or any one or more of them, provided that any such structure is substantially at grade level.
- (3) Walls and fences, or either of them.

(4) Storm doors and windows, screens, window air conditioners, lighting fixtures, antennae and similar appurtenances, or any one or more of them.

(5) The color of paint.

(6) The color of materials used on roofs.

(7) Signs of not more than one square foot in area in connection with use of a residence for a customary home occupation or for professional purposes, provided only one such sign is displayed in connection with each residence and if illuminated is illuminated only indirectly; and one sign in connection with the nonresidential use of each building or structure which is not more than twelve square feet in area, consist of letters painted on wood without symbol or trademark and if illuminated is illuminated only indirectly; or either of them.

(8) The reconstruction, substantially similar in exterior design, of a building, structure or exterior architectural feature damaged or destroyed by fire, storm or other disaster, provided such reconstruction is begun within one year thereafter and carried forward with due diligence.

4. Further, the by-law may provide that the authority of the commission shall be limited to exterior architectural features within a district which are subject to view from one or more designated public streets, public ways, public parks or public bodies of water, although other portions of buildings or structures within the district may be otherwise subject to public view. G.L. c. 40C, §8.

As noted, this is a simplified sketch of the process; further consideration by the Commission is essential prior to embarking on this process.

AGENDA ITEM

#3

Contract Approval:

**Community Impact Inc. for Co-response
Clinician (Police Dept) - \$65,000**

Associated back up materials attached:

- *Letter from Chief Kingsbury*
- *Contract*

Proposed Motions:

I move that the Board approve the contract with Community Impact Inc. as presented and authorize the Chair to execute it.



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
MEDWAY POLICE DEPARTMENT

Medway Police Department
315 Village Street
Medway, MA 02053
Phone (508) 533-3212
Fax (508) 533-2116
Email:
wkingsbury@medwaypolice.com
www.townofmedway.org/police-department

January 30, 2026

Command Staff

Chief of Police

William H. Kingsbury
wkingsbury@medwaypolice.com

*Community Services
Lieutenant*

Jason P. Brennan
jbrennan@medwaypolice.com

Operations Lieutenant

Peter Fasolino
pfasolino@medwaypolice.com

Administrative Lieutenant

John Meincke
jmeincke@medwaypolice.com

Executive Assistant

Janice Hart

Todd Alessandri
Chairman
Town of Medway Select Board

RE: Request for Board Approval-Community Impact of Milford Contract

Dear Mr. Alessandri,

Please consider this correspondence a formal request for the Board's approval of the proposed contract with Community Impact of Milford.

Under the terms of this agreement, Community Impact of Milford will provide third-party services through Jail Diversion Clinician coverage. These services are funded through a Massachusetts Department of Public Health (DPH) grant, previously reviewed and approved by the Board.

Approval of this contract will allow the continuation of grant-funded services in accordance with the approved program objectives and funding requirements.

Respectfully,

William H. Kingsbury
Chief of Police
Medway Police Department

TOWN OF MEDWAY, MASSACHUSETTS

AGREEMENT

THIS AGREEMENT made this 15th day of November, 2025 by and between the TOWN of Medway, a municipal corporation duly organized under the laws of Massachusetts and having a usual place of business at 155 Village Street, Medway, Massachusetts, hereinafter referred to as the "TOWN", and Community Impact Inc., a corporation having a usual place of business at 12 Congress Street, Milford, Massachusetts, hereinafter referred to as the "CONTRACTOR".

WITNESSETH:

WHEREAS, the TOWN has been approved for grant funding through the Massachusetts Department of Mental Health for a jail/arrest diversion program; and

Whereas, the TOWN invited the submission of applications for the delivery of services for such a program, hereinafter the "Project"; and

WHEREAS, the CONTRACTOR submitted an application to perform the work required to complete the Project; and

WHEREAS, the TOWN has decided to award the contract therefore to the CONTRACTOR.

NOW, THEREFORE, the TOWN and the CONTRACTOR agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of this Agreement and the CONTRACTOR's Proposal (DMH Co-Response Grant). The Contract Documents constitute the entire Agreement between the parties concerning the work, and all are as fully a part of this Agreement as if attached hereto.
2. THE WORK. The Work consists of providing the TOWN with the services of a co-response clinician, as more fully described in the Contract Documents as defined above.
3. TERM OF CONTRACT. This Agreement shall be in effect from November 15th, 2025, and shall expire on June 30th, 2026, unless terminated earlier pursuant to the terms hereof.
4. COMPENSATION.
 - A. The TOWN shall pay the CONTRACTOR as full compensation for the performance of the work outlined in grant budget above the contract sum of \$65,000.

- B. The acceptance by the CONTRACTOR of final payment for items and/or services provided shall be deemed a release of the TOWN from any and all claims and liabilities under this Agreement.
- C. Neither the TOWN's review, approval, or acceptance of, nor payment for any of the items and/or services provided shall be construed to operate as a waiver of any rights of the TOWN under the Agreement or any cause of action arising out of the performance of the Agreement.
- D. The TOWN shall cancel this Agreement if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the current fiscal year as required by G.L. c. 30B, sec. 12(c)(3). This contract may be terminated by the TOWN in the event that supporting Massachusetts Department of Mental Health grant funds are no longer available.
5. PAYMENT OF COMPENSATION. The TOWN shall make payments within thirty (30) days after its receipt of Invoice.
6. LIABILITY OF THE TOWN. The TOWN's liability hereunder shall be to make all payments when they shall become due, and the TOWN shall be under no further obligation or liability. Nothing in this Agreement shall be construed to render the TOWN or any elected or appointed official or employee of the TOWN, or their successors in office, personally liable for any obligation under this Agreement.
7. INDEPENDENT CONTRACTOR. The CONTRACTOR acknowledges and agrees that it is acting as an independent contractor for all work and services rendered pursuant to this Agreement and shall not be considered an employee or agent of the TOWN for any purpose.
8. INDEMNIFICATION. The CONTRACTOR shall indemnify, defend, and hold the TOWN harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorney's fees, arising out of the CONTRACTOR's breach of this Agreement or the negligence or misconduct of the CONTRACTOR, or the CONTRACTOR's agents or employees. This obligation shall survive the termination or expiration of this Agreement.
9. INSURANCE.
- A. The CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the insurance coverage in companies licensed to do business in the Commonwealth of Massachusetts, and acceptable to the TOWN, as set forth below:

General Liability

Bodily Injury Liability	\$1,000,000 per occurrence
Property Damage Liability	\$ 500,000 per occurrence
(or combined single limit)	\$1,000,000 per occurrence

Automobile Liability

Bodily Injury Liability	\$1,000,000 per occurrence
Property Damage Liability	\$ 500,000 per occurrence
(or combined single limit)	\$1,000,000 per occurrence

Workers' Compensation Insurance

Coverage for all employees in accordance with Massachusetts General Laws

Professional Liability Insurance

Minimum Coverage	\$1,000,000 per occurrence
------------------	----------------------------

B. All policies shall identify the TOWN as an additional insured (except Workers' Compensation) and shall provide that the TOWN shall receive written notification at least 30 days prior to the effective date of any amendment or cancellation. Certificates evidencing all such coverages shall be provided to the TOWN upon the execution of this Agreement. Each such certificate shall specifically refer to this Agreement and shall state that such insurance is as required by this Agreement. Failure to provide or to continue in force such insurance shall be deemed a material breach of this Agreement and shall be grounds for immediate termination.

10. ASSIGNMENT. The CONTRACTOR shall not assign, sublet, or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the TOWN, and shall not assign any of the moneys payable under this Agreement, except by and with the written consent of the TOWN.

11. TERMINATION. A. Termination for Cause. If at any time during the term of this Agreement the TOWN determines that the CONTRACTOR has breached the terms of this Agreement by negligently or incompetently performing the work, or any part thereof, or by failing to perform the work in a timely fashion, or by failing to perform the work to the satisfaction of the TOWN, or by not complying with the direction of the TOWN or its agents, or by otherwise failing to perform this Agreement in accordance with all of its terms and provisions, the TOWN shall notify the CONTRACTOR in writing stating therein the nature of the alleged breach and directing the CONTRACTOR to cure such breach within ten (10) days. The CONTRACTOR specifically agrees that it shall indemnify and hold the TOWN harmless from any loss, damage, cost, charge, expense or claim arising out of or resulting from such breach regardless of its knowledge or authorization of the actions resulting in the breach. If the CONTRACTOR fails to cure said breach within ten (10) days, the TOWN may, at its election at any time after the expiration of said ten (10) days, terminate this Agreement by giving written notice thereof to the CONTRACTOR specifying the effective date of the termination. Upon receipt of said notice, the CONTRACTOR shall cease to incur additional expenses in connection with this Agreement. Upon the date specified in said notice, this Agreement shall terminate. Such termination shall not prejudice or waive any rights or action which the TOWN may have against the CONTRACTOR up to the date of

such termination, and the CONTRACTOR shall be liable to the TOWN for any amount which it may be required to pay in excess of the compensation provided herein in order to complete the work specified herein in a timely manner. Upon such termination, the CONTRACTOR shall be entitled to compensation for all satisfactory work completed prior to the termination date, as determined by the TOWN.

B. Termination for Convenience. The TOWN may terminate this Agreement at any time for convenience by providing the CONTRACTOR written notice specifying therein the termination date which shall not be sooner than ten days from the issuance of said notice. Upon receipt of said notice, the CONTRACTOR shall cease to incur additional expenses in connection with this Agreement. Upon such termination, the CONTRACTOR shall be entitled to compensation for all satisfactory work completed prior to the termination date, as determined by the TOWN, such payment not to exceed the fair value of the services provided hereunder.

12. INSPECTION AND REPORTS. The TOWN shall have the right at any time to inspect the work of the CONTRACTOR, including the right to enter upon any property owned or occupied by CONTRACTOR, whether situated within or beyond the limits of the TOWN. Whenever requested, CONTRACTOR shall immediately furnish to the TOWN full and complete written reports of its operation under this Contract in such detail and with such information as the TOWN may request.
13. ROYALTIES AND PATENTS. The CONTRACTOR shall pay all applicable royalties and license fees. In addition, the CONTRACTOR hereby represents that it is duly authorized to use any process or other intellectual property rights held by third parties in the performance of this Agreement, it shall defend all suits or claims for infringement of any patent or other intellectual property rights and shall indemnify and hold the TOWN harmless from loss on account thereof.
14. SUCCESSOR AND ASSIGNS. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the TOWN nor the CONTRACTOR shall assign or transfer any interest in the Agreement without the written consent of the other.
15. COMPLIANCE WITH LAWS. The CONTRACTOR shall comply with all Federal, State, and local laws, rules, regulations and orders applicable to the work provided pursuant to this Agreement, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.
16. NOTICE. Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when

deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.

17. SEVERABILITY. If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal, or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
18. GOVERNING LAW. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts and the CONTRACTOR submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
19. ENTIRE AGREEMENT. This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

TOWN OF MEDWAY, MA
By its: Select Board

COMMUNITY IMPACT INC.

Amy Leone
(Signature)

Owner Amy Leone
(Name and Title)

Approved as to Form:

Frank R. Reich
Town Counsel

1016224/MEDW/0299

Availability of Funds:
Chris Pitt
TAM Accountant
22702102 5383



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/22/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Bright Agency 6 Congress St. Milford MA 01757	CONTACT NAME: Leanne Mantos PHONE (A/C, No, Ext): (508) 473-0556 E-MAIL ADDRESS: lmantos@brightinsurance.com FAX (A/C, No): (508) 478-6709																					
INSURED Community Impact Inc 12 Congress Street Milford MA 01757	<table><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A:</td><td>Philadelphia Insurance Co.</td><td></td></tr><tr><td>INSURER B:</td><td>Safety Insurance Co</td><td></td></tr><tr><td>INSURER C:</td><td>The Charter Oak Fire Ins Co</td><td>25615</td></tr><tr><td>INSURER D:</td><td></td><td></td></tr><tr><td>INSURER E:</td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Philadelphia Insurance Co.		INSURER B:	Safety Insurance Co		INSURER C:	The Charter Oak Fire Ins Co	25615	INSURER D:			INSURER E:			INSURER F:		
INSURER(S) AFFORDING COVERAGE		NAIC #																				
INSURER A:	Philadelphia Insurance Co.																					
INSURER B:	Safety Insurance Co																					
INSURER C:	The Charter Oak Fire Ins Co	25615																				
INSURER D:																						
INSURER E:																						
INSURER F:																						

COVERAGES**CERTIFICATE NUMBER:** CL24111916574**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y		PHPK2605865	11/10/2024	11/10/2025	<table><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 100,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 5,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 3,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 3,000,000</td></tr><tr><td>Professional Liability</td><td>\$ 1,000,000</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 3,000,000	PRODUCTS - COMP/OP AGG	\$ 3,000,000	Professional Liability	\$ 1,000,000
EACH OCCURRENCE	\$ 1,000,000																				
DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000																				
MED EXP (Any one person)	\$ 5,000																				
PERSONAL & ADV INJURY	\$ 1,000,000																				
GENERAL AGGREGATE	\$ 3,000,000																				
PRODUCTS - COMP/OP AGG	\$ 3,000,000																				
Professional Liability	\$ 1,000,000																				
B	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☒ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY	Y		5930091	05/26/2024	05/26/2025	<table><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td>Comp Bi</td><td>\$ 20,000</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Comp Bi	\$ 20,000				
COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000																				
BODILY INJURY (Per person)	\$																				
BODILY INJURY (Per accident)	\$																				
PROPERTY DAMAGE (Per accident)	\$																				
Comp Bi	\$ 20,000																				
A	☒ UMBRELLA LIAB ☐ EXCESS LIAB DED ☒ RETENTION \$ 10,000	Y		PHUB882696	11/10/2024	11/10/2025	<table><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 1,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	AGGREGATE	\$ 1,000,000		\$								
EACH OCCURRENCE	\$ 1,000,000																				
AGGREGATE	\$ 1,000,000																				
	\$																				
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	UB-3K09073A-24-42	10/30/2024	10/30/2025	<table><tr><td>☒ PER STATUTE</td><td>OTH-ER</td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$ 500,000</td><td></td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$ 500,000</td><td></td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$ 500,000</td><td></td></tr></table>	☒ PER STATUTE	OTH-ER		E.L. EACH ACCIDENT	\$ 500,000		E.L. DISEASE - EA EMPLOYEE	\$ 500,000		E.L. DISEASE - POLICY LIMIT	\$ 500,000			
☒ PER STATUTE	OTH-ER																				
E.L. EACH ACCIDENT	\$ 500,000																				
E.L. DISEASE - EA EMPLOYEE	\$ 500,000																				
E.L. DISEASE - POLICY LIMIT	\$ 500,000																				
A	Professional Liability			PHPK2605865	11/10/2024	11/10/2025	<table><tr><td>Ea Professional Incident</td><td>\$1,000,000</td></tr><tr><td>General Aggregate</td><td>\$3,000,000</td></tr></table>	Ea Professional Incident	\$1,000,000	General Aggregate	\$3,000,000										
Ea Professional Incident	\$1,000,000																				
General Aggregate	\$3,000,000																				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

All policies are in accordance with 2024 agreement between Community Impact and the town of Medway.
Town of medway is listed as additional insured except on the workers comp insurance and the town of medway will receive written notification at least 30 days prior to the effective date of any amendment or cancellation.

CERTIFICATE HOLDER**CANCELLATION**

Town of Medway 155 Village Street Medway MA 02053	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

AGENDA ITEM

#4

Presentation: Capital Plan Recommendation by the Capital Improvement Planning Committee

Associated back up materials are attached:

- *CIPC Recommendations (spreadsheet)*

CIPC Rank	Dept	Project #	Description	Project Cost	Cumulative Cost	Justification
1	DPW	2623	Roads and Sidewalks	\$750,000	\$750,000	Yearly road plan funding to fix roads and sidewalks throughout town. ECWs are clasified as less-lethal weapons. *ECWs are an important and versatile tool on the Use of Force Continuum which reduces liability. *The presence of an ECW will often result in the end of resistance due to reputation/past experience. *ECWs allow officers to momentarily disable resistive suspects/subjects without using physical force.
2	Police	2630	Electronic Control Weapon (ECW) Replacement	\$27,929	\$777,929	Laptops in our ambulances are at their end of life. These are needed in order for to complete patient care reports
3	Fire	2719	Technology Equipment (replacement)	\$18,000	\$795,929	VR provides officers with immersive and interactive experiences that allow the brain to more easily grasp new skills and concepts in what it perceives to be a "real-wprld" environment. VR Training creates much better learning outcomes than traditional training methods alone.
4	Police	2632	AXON VR Training System	\$33,807	\$829,736	Project is designed for planned replacement of existing mobile and portable radio equipment in annual phases as opposed to one large project when all equipment reaches end of life. *Mobile Radios are installed in vehicles and are necessary items of equipment. *Portable radios are issued to individual officers which are carried to allow communications from any location.
5	Police	2631	Emergency Communications Equipment (replacement)	\$45,200	\$874,936	Current Car 1 is 7 years old and has substantial mileage on it. We try and keep these vehicles for 5 years on the line and 7 years as a utility vehicle.
6	Fire	2720	Replace Car 1 (replacement) \$105,000	\$110,00	\$874,936	MS4 Permit requires continued efforts to remove phosphorus to meet our year 8 goal.
7	DPW	2604	Drainage Improvements (Lr Memorial Fld, Ash, Applegate and Fairway) \$100,000	\$200,000	\$1,074,936	Servers, storage, switching, wireless, and backup systems; '25 Carryover \$25,716. The Wireless system was replaced in July '24. Older switches (7 school) will be replaced within the next 18 months using eRate Cat2 Requests. Estimates are based on a Whalley Computer quote from Feb'25 @ \$4965 per unit -50% eRate Reimbursement (\$17,377.50). We are working on the server farm and data storage hardware over the next two years. This equipment is shared by town and school 50/50. Estimated costs for the server are based on a June '25 quote from Dell at \$17,391 x 2 = \$34,782. The Dell Unity Storage Array does not have a projected end of life at this time and service is available for \$8500 a year. Long term estimates to replace this equipment are projected at \$75,000. The backup system [Druva] subscription will expire in October '26. Annual Maintenance is estimated at \$83,232 for three years. We are researching alternate systems as the annual payment is estimated at \$51,000. '27 Request includes the Backup system maintenance for \$83,232.
8	IT	2230	Infrastructure Equipment	\$85,000	\$1,159,936	Vehicle approaching end of life; replacement as scheduled by the district's vehicle replacement plan (10 yr cycle). It is recommended this sedan be replaced with a minivan to afford the district increased usage.
9	Schools	2636	Replace 2014 student transportation Sedan 3	\$70,000	\$1,229,936	
10	DPW	2713	Sidewalk Design Improvements (Village, Granite, Walker) \$125,000	\$220,000	\$1,449,936	Continuing to implement walkability in Town as expressed in the Master Plan

						Would power HS head end (all servers, firewalls, switches, and internet for school and phone system) and all three IDF closets within the site for a minimum of one hour. Due to prior power failures and not fully reliable generator, the current battery backup system has failed requiring a hard reboot of all critical equipment with any power disruption. Need is critical to maintain the firewall, main town-wide switch and phone system. HS is also an emergency shelter for Town; having consistent network connection is important. Yearly maintenance estimated at \$3K and battery replacement every 4-5 yrs at \$4K.
11	IT	2726	Battery Backup System for IT Infrastructure (High School)	\$40,000	\$1,489,936	
12	Library	1934	Makerspace ventilation	\$15,000	\$1,504,936	Makerspace ventilation (DPW "quote"; not exactly ventilation but makerspace needs an exhaust system to pull ou the exhaust from the CNC machine)
13	Schools	2454	MS: Cafeteria VCT Replacement	\$250,000	\$1,754,936	Floor is asbestos and starting to show deterioration.
14	IT	2229	Technology Equipment	\$75,000	\$1,829,936	Tech Equipment includes all desktops, laptops, printers, copiers, and peripheral equipment to support town and school operations. 2027 Plans are to replace 85 staff devices @ an average desktop cost of \$600 (35x600=\$21,000) and laptop cost of \$850 (50x850=\$42500). Estimated peripheral costs of \$11,500.
15	IT	2231	Security Systems	\$25,000	\$1,854,936	Overall, the town server was replaced in '24 as part of the WTP project. The school servers are aging and most of the cameras are starting to show signs of age. With an estimated \$2million dollar investment in this area, \$25,000 a year to maintain the system is inadequate. We've applied for a COPs grant to support several areas of school security; specifically the server replacement, additional door controls, and cameras; ~\$475,000. Quotes were provided from New Era in May '25 for on-prem server replacement @ \$123,682. We propose, if the COPs grant is not awarded, we increase the annual budget of \$25,000 to \$67,000, supporting the purchase of a single server each year for three years @ ~\$42,000, as well as break fix repair efforts at \$25,000 per year.
16	DPW	2715	Cemetery Tomb Rehabilitation	\$35,000	\$1,889,936	The Tomb building needs some restoration work to make it usable for storage and light equipment maintenanc area when needed.
17	Schools	2528	Replace 2017 F250 pickup truck	\$75,000	\$1,964,936	Vehicle approaching end of life; replacement as scheduled by the distric's vehicle replacement plan (10 yr cycle)
18	IT	2343	Projection	\$75,000	\$2,039,936	Replace aging projection systems in the High School, 60 classrooms with ceiling mounted projectors to be replaced with SmartPanels, over two years. Estimated cost \$2500 per room \$150,000 total cost, based on June 2025 quote for Promethean Boards.
19	DPW	2705	Replace Idylbrook Irrigation	\$25,000	\$2,064,936	Irrigation system is obsolete, and replacement parts are no longer available.
20	DPW	2704	Burke, Memorial and Middle School Irrigation	\$70,000	\$2,134,936	The existing system has been tampered with multiple times; housing the irrigation system within a dedicated pump house would enhance its security.
21	DPW	2717	Battery Backup for Traffic Lights (4)	\$95,000	\$2,229,936	To protect motorists and pedestrians when original powersource to traffic signals is lost
22	DPW- Hwy	2311	Replace 221- 2016 Ford F-350	\$90,000	\$2,319,936	Part of the Town's replacement program. Less maintenance/repair costs to an aging vehicle

						Many desks, chairs, tables are original to building and beyond intended life cycle. A phased replacement cycle for classroom/instructional spaces should be considered.
23	Schools	2725	District Improvements - Furniture		\$50,000	\$2,369,936
24	Library	2214	Replace Emergency Door		\$10,000	\$2,379,936
25	Library	2727	Library printer		\$5,000	\$2,384,936
26	Parks	2222A	Design High School Turf Fields (2) (High School)	\$50,000 / \$50,000	\$100,000	\$2,484,936
27	DPW- Parks	2314	Replace 302- 2015 Ford F-350 4x4		\$90,000	\$2,574,936
28	Schools	2724	District Improvements - Interior Painting		\$75,000	\$2,649,936
29	DPW	2711	Winter Street Drainage Improvements		\$275,000	\$2,924,936
30	Library	io project ;	Technology (20 desktop computers for staff and public)		\$20,000	\$2,944,936
31	Library	2433	New Furniture		\$10,000	\$2,954,936
32	Parks	2436	Basketball/Multisport Court at 123 Holliston St (Rec Center)		\$375,000	\$3,329,936
33	DPW	2707	Playground Improvements - North St & Winthrop St	\$50,000	\$100,000	\$3,429,936
34	Schools	2635	Burke/Mem.: Legion parking lot replacement		\$351,775	\$3,781,711
35	DPW	2712	McGovern Parking Lot		\$365,000	\$4,146,711
36	DPW	2706	Replace Fencing at Center St. Softball		\$30,000.00	\$4,176,711
37	DPW	2716	Parks & Rec Site Renovations		\$500,000	\$4,676,711
38	Library	io project ;	Restructuring library space to create private study rooms		\$75,000	\$4,751,711
39	Parks	2702	Hanlon Score Board Replacement (High School)		\$370,000	\$5,121,711
40	Library	2540	Consultant to advise on improving inside spaces		\$10,000	\$5,131,711
41	Schools	2529	Add cooling to all classrooms / pods / areas		\$606,375	\$5,738,086
42	DPW	2703	Enclosed Trailer (Cemetery) - only needed if the Tomb rehab isn't funded		\$14,000	\$5,752,086

AGENDA ITEM

#5

Presentation: Fiscal Year 2025 Audit by Roselli & Clark Associates

Associated back up materials are attached:

- *Audit Overview Letter*
- *Fiscal Year 2025 Audit Statements*



ROSELLI, CLARK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

500 West Cummings Park
Suite 4900
Woburn, MA 01801

Telephone: (781) 933-0073

www.roselliclark.com

December 4, 2025

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, 2025. 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 August 15, 2025. 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 2025. 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 November 24, 2025.

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, 2025



TOWN OF MEDWAY, MASSACHUSETTS

TABLE OF CONTENTS YEAR ENDED JUNE 30, 2025

	Page(s)
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 – 11
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	12 – 13
Statement of Activities	14
Governmental Funds Financial Statements:	
Balance Sheet	15
Reconciliation of the Balance Sheet Total Fund Balances to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds Financial Statements:	
Statement of Net Position	19 – 20
Statement of Revenues, Expenses and Changes in Net Position	21
Statement of Cash Flows	22 – 23
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Financial Statements	26 – 54
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED:	
Schedule of the Town's Proportionate Share of the Net Pension Liability	55
Schedule of the Town's Contributions to the Pension Plan	55
Schedule of the Commonwealth's Collective Share of the Massachusetts Teachers' Retirement Net Pension Liability	56
Schedule of Changes in Net OPEB Liability and Related Ratios – OPEB Plan	57
Schedule of Contributions to the OPEB Plan – OPEB Plan	58
Schedule of Investment Returns – OPEB Plan	58
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	59
Notes to Required Supplementary Information	60



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, 2025, 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, 2025 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 November 26, 2025 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
November 26, 2025

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, 2025. 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 \$155.9 million (total net position) at June 30, 2025. The Town's total net position increased by approximately \$7.7 million in fiscal year 2025.
- The net position in governmental activities increased nearly \$6.3 million, while the net position in business-type activities increased over \$1.4 million in fiscal year 2025.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities. This deficit exceeded \$20.1 million at June 30, 2025. This deficit is due primarily to the recording of liabilities associated with the net OPEB and pension liabilities, which totaled over \$46.2 million at June 30, 2025 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.
- At June 30, 2025, the Town's governmental funds balance sheet reported a combined ending fund balance surplus of approximately \$46.0 million, which was approximately \$3.1 million greater than the prior year.
- Of the ending fund balance in the governmental funds at June 30, 2025, nearly \$13.9 million is available for spending at the Town's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At June 30, 2025, unassigned fund balance for the general fund represented over 19% percent of total fiscal year 2025 general fund expenditures.
- The Town's total combined long-term debt in its governmental activities and business-type activities decreased approximately \$3.7 million in fiscal year 2025.

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 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>2025</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
Assets:						
Current and other assets	\$ 53,809,645	\$ 50,065,973	\$ 10,172,272	\$ 10,346,340	\$ 63,981,917	\$ 60,412,313
Capital assets, net	<u>139,126,126</u>	<u>137,880,219</u>	<u>61,049,273</u>	<u>61,305,461</u>	<u>200,175,399</u>	<u>199,185,680</u>
Total Assets	<u>192,935,771</u>	<u>187,946,192</u>	<u>71,221,545</u>	<u>71,651,801</u>	<u>264,157,316</u>	<u>259,597,993</u>
Deferred Outflows of Resources	<u>9,781,069</u>	<u>14,541,641</u>	<u>470,032</u>	<u>714,428</u>	<u>10,251,101</u>	<u>15,256,069</u>
Liabilities:						
Long-term liabilities	70,595,285	75,603,761	30,267,824	31,071,211	100,863,109	106,674,972
Other liabilities	<u>9,274,667</u>	<u>8,727,407</u>	<u>2,637,502</u>	<u>3,896,041</u>	<u>11,912,169</u>	<u>12,623,448</u>
Total Liabilities	<u>79,869,952</u>	<u>84,331,168</u>	<u>32,905,326</u>	<u>34,967,252</u>	<u>112,775,278</u>	<u>119,298,420</u>
Deferred Inflows of Resources	<u>5,607,331</u>	<u>7,193,453</u>	<u>160,083</u>	<u>183,770</u>	<u>5,767,414</u>	<u>7,377,223</u>
Net Position:						
Net investment in capital assets	111,228,491	106,764,017	32,451,873	32,219,529	143,680,364	138,983,546
Restricted	26,146,220	22,265,661	-	-	26,146,220	22,265,661
Unrestricted	<u>(20,135,154)</u>	<u>(18,066,466)</u>	<u>6,174,295</u>	<u>4,995,678</u>	<u>(13,960,859)</u>	<u>(13,070,788)</u>
Total Net Position	<u>\$ 117,239,557</u>	<u>\$ 110,963,212</u>	<u>\$ 38,626,168</u>	<u>\$ 37,215,207</u>	<u>\$ 155,865,725</u>	<u>\$ 148,178,419</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 nearly \$7.7 million in fiscal year 2025. The net position in governmental activities increased nearly \$6.3 million, while the net position in business-type activities increased over \$1.4 million.

The largest portion the Town's overall net position (approximately \$143.7 million) reflects its investment in capital assets, less any related debt used to acquire those assets that are 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 \$26.1 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 \$14.0 million. This deficit balance is primarily the result of the reporting of over \$48.2 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	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 8,266,618	\$ 7,308,197	\$ 9,926,178	\$ 8,267,393	\$ 18,192,796	\$ 15,575,590
Operating grants and contributions	21,806,834	21,576,930	-	-	21,806,834	21,576,930
Capital grants and contributions	1,162,834	773,261	-	2,750,000	1,162,834	3,523,261
General revenues:						
Property taxes	52,130,552	50,191,633	-	-	52,130,552	50,191,633
Excise taxes	3,159,002	2,749,030	-	-	3,159,002	2,749,030
Intergovernmental	1,502,236	1,458,481	-	-	1,502,236	1,458,481
Other	2,071,140	2,232,282	2,315	2,583	2,073,455	2,234,865
Total Revenues	90,099,216	86,289,814	9,928,493	11,019,976	100,027,709	97,309,790
Expenses:						
General government	6,763,848	6,270,562	-	-	6,763,848	6,270,562
Public safety	11,963,486	9,768,039	-	-	11,963,486	9,768,039
Education	54,440,093	49,316,949	-	-	54,440,093	49,316,949
Public works	6,331,004	5,013,489	-	-	6,331,004	5,013,489
Health and human services	919,379	882,468	-	-	919,379	882,468
Culture and recreation	2,915,831	2,330,794	-	-	2,915,831	2,330,794
Interest expense	783,460	832,651	-	-	783,460	832,651
Utilities	-	-	8,223,302	7,616,085	8,223,302	7,616,085
Total Expenses	84,117,101	74,414,952	8,223,302	7,616,085	92,340,403	82,031,037
Change in Net Position Before Transfers	5,982,115	11,874,862	1,705,191	3,403,891	7,687,306	15,278,753
Transfers	294,230	378,270	(294,230)	(378,270)	-	-
Change in Net Position	6,276,345	12,253,132	1,410,961	3,025,621	7,687,306	15,278,753
Net Position:						
Beginning of year	110,963,212	98,710,080	37,215,207	34,189,586	148,178,419	132,899,666
End of year	\$ 117,239,557	\$ 110,963,212	\$ 38,626,168	\$ 37,215,207	\$ 155,865,725	\$ 148,178,419

Governmental Activities – Total revenues in fiscal year 2025 in the Town’s governmental activities increased over \$3.8 million, or 4.4%, from the prior fiscal year. This increase was due primarily to increases of approximately \$1.9 million and \$1.0 million, respectively, in property taxes and charges for services.

The Town’s largest revenue source is property taxes, which represented approximately 58% of total fiscal year 2025 and 2024 revenues. Property taxes increased over \$1.9 million, or 3.9%, in fiscal year 2025 due to normal property tax increases and new growth. Operating grants and contributions represented approximately 24% and 25% of total fiscal year 2025 and 2024 revenues, respectively. No other revenue sources were greater than 10% of total revenues in fiscal years 2025 or 2024.

Education represents the largest expense category for the Town. In total, education expenses represented approximately 65% and 66%, respectively, of total fiscal year 2025 and 2024 expenses. Public safety expenses represented approximately 14% and 13%, respectively, of total fiscal year 2025 and 2024 expenses. No other expense types were greater than 10% of total expenses in fiscal years 2025 or 2024.

Business-Type Activities – Total business-type activities revenues decreased nearly \$1.1 million in fiscal year 2025. This decrease was due entirely to the absence of a one-time \$2,750,000 EPA grant reported in fiscal year 2024. Charges for services increased approximately \$1.7 million year-over-year, which was due primarily to a significant rate increase in water utility charges.

Expenses in the business-type activities increased approximately \$607,000 year-over-year, which was due primarily to higher depreciation expense in the water enterprise fund.

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 \$46.0 million, which was approximately \$3.1 million greater than the prior year. The Town reported a \$0.8 million decrease in its general fund and positive changes in fund balances in each of its other reported major governmental funds in fiscal year 2025. Of the ending fund balances, nearly \$13.9 million is available for spending at the Town’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 approached \$14.1 million, while total general fund balance exceeded \$26.2 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 over 19% of total fiscal year 2025 general fund expenditures, while total fund balance represents over 36% of that same amount.

The community preservation fund reported a fund balance of approximately \$6.5 million at June 30, 2025, which was an increase of approximately \$0.8 million from the prior year.

The capital projects fund expended over \$3.5 million, the majority of which was used to repair/replace the roof at the McGovern Elementary School. This project was principally funded with capital stabilization funds.

The nonmajor governmental funds reported a more than \$2.0 million increase in fund balance in fiscal year 2025, 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, 2025 totaled approximately \$200.2 million, net of accumulated depreciation. This is an increase of nearly \$1.0 million from the prior year as fiscal year 2025 capital additions 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 decreased approximately \$3.7 million in fiscal year 2025 to approximately \$55.5 million at June 30, 2025. The Town issued nearly \$1.5 million in general obligation bonds in 2025, primarily in its water enterprise, and paid down nearly \$5.2 million as part of normal scheduled debt maturities.

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.

S&P Global 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 2026 is expected to exceed \$12.6 million.
- The Town enters fiscal year 2026 with the following financial reserves:
 - Certified free cash of over \$7.2 million;
 - General stabilization funds in excess of \$5.3 million; and
 - Capital stabilization funds in excess of \$5.6 million.
- The Town’s real estate tax base is made up predominantly of residential taxes, which in setting the 2026 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.
- Medical insurance premium rates are volatile. Many Massachusetts municipalities are experiencing steep premium increases beyond those contemplated in budgets and forecasts and well beyond the Commonwealth’s Proposition 2 ½ property tax limits.

The above items were considered when the Town approved its fiscal year 2026 budget in its May 2025 Annual Town Meeting. The Town set its fiscal year 2025 property tax rate on November 20, 2025.

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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 46,308,658	\$ 7,666,502	\$ 53,975,160
Investments	4,420,039	-	4,420,039
Receivables, net of allowances:			
Property taxes	2,046,412	-	2,046,412
Excise taxes	194,243	-	194,243
Departmental, user charges and other	468,918	2,505,770	2,974,688
Intergovernmental	371,375	-	371,375
Prepaid items	-	-	-
Land	30,725,462	614,836	31,340,298
Construction in-progress	-	1,028,727	1,028,727
Depreciable capital assets, net	<u>108,400,664</u>	<u>59,405,710</u>	<u>167,806,374</u>
Total Assets	<u>192,935,771</u>	<u>71,221,545</u>	<u>264,157,316</u>
Deferred Outflows of Resources:			
Related to OPEB	3,700,975	95,675	3,796,650
Related to pension	<u>6,080,094</u>	<u>374,357</u>	<u>6,454,451</u>
Total Deferred Outflows of Resources	<u>9,781,069</u>	<u>470,032</u>	<u>10,251,101</u>

(continued)

TOWN OF MEDWAY, MASSACHUSETTS

STATEMENT OF NET POSITION JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Warrants and accounts payable	\$ 2,088,491	\$ 263,492	\$ 2,351,983
Accrued payroll and withholdings	1,473,554	54,410	1,527,964
Retainage payable	136,100	12,855	148,955
Accrued interest	280,258	434,332	714,590
Other liabilities	22,862	-	22,862
Deposits and escrows	1,344,050	-	1,344,050
Short-term note payable	91,190	-	91,190
Noncurrent liabilities:			
Due within one year	3,838,162	1,872,413	5,710,575
Due in more than one year	70,595,285	30,267,824	100,863,109
Total Liabilities	<u>79,869,952</u>	<u>32,905,326</u>	<u>112,775,278</u>
Deferred Inflows of Resources:			
Related to OPEB	5,183,860	134,009	5,317,869
Related to pension	423,471	26,074	449,545
Total Deferred Inflows of Resources	<u>5,607,331</u>	<u>160,083</u>	<u>5,767,414</u>
Net Position:			
Net investment in capital assets	111,228,491	32,451,873	143,680,364
Restricted for:			
Nonexpendable permanent funds	8,000	-	8,000
Expendable perpetual funds	817,251	-	817,251
Community preservation	6,511,964	-	6,511,964
Gifts and donations	2,451,419	-	2,451,419
Receipts reserved for appropriation	1,758,467	-	1,758,467
Other purposes	14,599,119	-	14,599,119
Unrestricted	<u>(20,135,154)</u>	<u>6,174,295</u>	<u>(13,960,859)</u>
Total Net Position	<u>\$ 117,239,557</u>	<u>\$ 38,626,168</u>	<u>\$ 155,865,725</u>
			(concluded)

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

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	\$ 6,763,848	\$ 556,943	\$ 638,399	\$ 787,259	\$ (4,781,247)		\$ (4,781,247)
Public safety	11,963,486	2,852,029	489,775	-	(8,621,682)		(8,621,682)
Education	54,440,093	3,199,564	19,937,236	-	(31,303,293)		(31,303,293)
Public works	6,331,004	407,358	203,971	375,575	(5,344,100)		(5,344,100)
Health and human services	919,379	45,716	427,107	-	(446,556)		(446,556)
Culture and recreation	2,915,831	1,205,008	110,346	-	(1,600,477)		(1,600,477)
Interest expense	783,460	-	-	-	(783,460)		(783,460)
Total Governmental Activities	84,117,101	8,266,618	21,806,834	1,162,834	(52,880,815)		(52,880,815)
Business-Type Activities:							
Sewer	2,037,624	2,072,990	-	-		\$ 35,366	35,366
Water	4,500,598	6,093,256	-	-		1,592,658	1,592,658
Solid waste	1,685,080	1,759,932	-	-		74,852	74,852
Total Business-Type Activities	8,223,302	9,926,178	-	-		1,702,876	1,702,876
Total Primary Government	\$ 92,340,403	\$ 18,192,796	\$ 21,806,834	\$ 1,162,834		1,702,876	(51,177,939)
General Revenues:							
Property taxes					52,130,552	-	52,130,552
Motor vehicle and other excise taxes					3,159,002	-	3,159,002
Grants and contributions not restricted to to specific programs					1,502,236	-	1,502,236
Penalties and interest on taxes					180,446	-	180,446
Unrestricted investment income					1,890,694	2,315	1,893,009
Transfers, net					294,230	(294,230)	-
Total General Revenues and Transfers					59,157,160	(291,915)	58,865,245
Change in Net Position					6,276,345	1,410,961	7,687,306
Net Position:							
Beginning of year					110,963,212	37,215,207	148,178,419
End of year					\$ 117,239,557	\$ 38,626,168	\$ 155,865,725

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General Fund	Community Preservation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets:					
Cash and cash equivalents	\$ 25,707,895	\$ 6,612,894	\$ 2,530,365	\$ 11,457,504	\$ 46,308,658
Investments	4,420,039	-	-	-	4,420,039
Receivables, net of allowances:					
Property taxes	2,025,690	20,722	-	-	2,046,412
Excise taxes	194,243	-	-	-	194,243
Departmental, user charges and other	23,853	-	-	445,065	468,918
Intergovernmental	-	-	-	371,375	371,375
Total Assets	32,371,720	6,633,616	2,530,365	12,273,944	53,809,645
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 32,371,720	\$ 6,633,616	\$ 2,530,365	\$ 12,273,944	\$ 53,809,645
Liabilities:					
Warrants and accounts payable	\$ 1,239,794	\$ 100,930	\$ 469,559	\$ 278,208	\$ 2,088,491
Accrued payroll and withholdings	1,312,969	-	-	160,585	1,473,554
Retainage payable	-	-	136,100	-	136,100
Other liabilities	22,862	-	-	-	22,862
Deposits and escrows	1,344,050	-	-	-	1,344,050
Short-term note payable	-	-	-	91,190	91,190
Total Liabilities	3,919,675	100,930	605,659	529,983	5,156,247
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	2,025,690	20,722	-	-	2,046,412
Unavailable revenues - other	198,096	-	-	367,379	565,475
Total Deferred Inflows of Resources	2,223,786	20,722	-	367,379	2,611,887
Fund Balances:					
Nonspendable	-	-	-	8,000	8,000
Restricted	173,754	6,511,964	1,924,706	11,608,881	20,219,305
Committed	8,573,972	-	-	-	8,573,972
Assigned	3,382,834	-	-	-	3,382,834
Unassigned	14,097,699	-	-	(240,299)	13,857,400
Total Fund Balances	26,228,259	6,511,964	1,924,706	11,376,582	46,041,511
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 32,371,720	\$ 6,633,616	\$ 2,530,365	\$ 12,273,944	\$ 53,809,645

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, 2025**

Total Governmental Fund Balances		\$ 46,041,511
Capital assets used in governmental activities in the statement of net position are not financial resources and, therefore, are not reported in the funds.		139,126,126
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.		2,611,887
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	3,700,975	
Deferred outflows of resources - pensions	6,080,094	
Deferred inflows of resources - other postemployment benefits	(5,183,860)	
Deferred inflows of resources - pensions	<u>(423,471)</u>	
Net effect of reporting deferred outflows and inflows of resources		4,173,738
Interest is accrued on outstanding long-term debt in the statement of net position but not in the funds until due.		(280,258)
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	(23,890,596)	
Net pension liability	(22,329,642)	
Compensated absences	(417,400)	
Bonds and notes payable	<u>(27,795,809)</u>	
Net effect of reporting long-term liabilities		<u>(74,433,447)</u>
Net Position — Governmental Activities		<u>\$ 117,239,557</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, 2025**

	<u>General Fund</u>	<u>Community Preservation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues:					
Property taxes, net of tax refunds	\$ 50,904,972	\$ 1,208,968	\$ -	\$ -	\$ 52,113,940
Intergovernmental	17,438,301	278,877	-	5,891,165	23,608,343
Motor vehicle and other excise taxes	3,103,202	-	-	-	3,103,202
Licenses and permits	917,760	-	-	-	917,760
Penalties and interest on taxes	176,059	3,461	-	926	180,446
Fines and forfeitures	21,275	-	-	-	21,275
Departmental and other revenues	687,853	-	-	6,492,379	7,180,232
Contributions and donations	-	-	-	863,561	863,561
Investment income	<u>1,600,911</u>	<u>252,272</u>	<u>-</u>	<u>37,511</u>	<u>1,890,694</u>
Total Revenues	<u>74,850,333</u>	<u>1,743,578</u>	<u>-</u>	<u>13,285,542</u>	<u>89,879,453</u>
Expenditures:					
Current:					
General government	4,326,440	497,419	-	572,815	5,396,674
Public safety	8,288,848	-	-	1,066,599	9,355,447
Education	38,219,458	-	2,938,616	6,815,221	47,973,295
Public works	4,962,437	-	132,711	654,022	5,749,170
Health and human services	530,512	-	-	234,817	765,329
Culture and recreation	1,044,988	-	476,576	1,122,888	2,644,452
Pension and fringe benefits	10,169,153	-	-	-	10,169,153
State and county charges	896,310	-	-	-	896,310
Debt service:					
Principal	3,065,000	340,000	-	19,489	3,424,489
Interest	<u>902,236</u>	<u>57,975</u>	<u>-</u>	<u>2,354</u>	<u>962,565</u>
Total Expenditures	<u>72,405,382</u>	<u>895,394</u>	<u>3,547,903</u>	<u>10,488,205</u>	<u>87,336,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,444,951</u>	<u>848,184</u>	<u>(3,547,903)</u>	<u>2,797,337</u>	<u>2,542,569</u>
Other Financing Sources (Uses):					
Issuance of general obligation bonds	-	-	285,000	-	285,000
Transfers in	1,061,722	-	4,382,853	17,500	5,462,075
Transfers out	<u>(4,350,000)</u>	<u>(17,500)</u>	<u>-</u>	<u>(800,345)</u>	<u>(5,167,845)</u>
Total Other Financing Sources (Uses)	<u>(3,288,278)</u>	<u>(17,500)</u>	<u>4,667,853</u>	<u>(782,845)</u>	<u>579,230</u>
Change in Fund Balances	(843,327)	830,684	1,119,950	2,014,492	3,121,799
Fund Balances:					
Beginning of the year	<u>27,071,586</u>	<u>5,681,280</u>	<u>804,756</u>	<u>9,362,090</u>	<u>42,919,712</u>
End of the year	<u>\$ 26,228,259</u>	<u>\$ 6,511,964</u>	<u>\$ 1,924,706</u>	<u>\$ 11,376,582</u>	<u>\$ 46,041,511</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, 2025**

Change in Fund Balances — Total Governmental Funds \$ 3,121,799

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	7,463,196	
Depreciation expense	<u>(6,217,289)</u>	
Net effect of reporting capital activity		1,245,907

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 219,763

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	(285,000)	
Repayments of long-term debt	3,424,489	
Amortization of bond premiums	<u>180,627</u>	
Net effect of reporting long-term debt activity		3,320,116

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	(397,111)	
Net pension liability	(1,172,878)	
Compensated absences	(59,729)	
Accrued interest	<u>(1,522)</u>	
Net effect of reporting long-term liabilities		<u>(1,631,240)</u>

Change in Net Position — Governmental Activities \$ 6,276,345

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 2,073,390	\$ 4,710,942	\$ 882,170	\$ 7,666,502
Receivables, net of allowances:				
User charges receivable	469,253	1,528,592	335,588	2,333,433
Betterments	30,836	-	-	30,836
Total Current Assets	2,573,479	6,239,534	1,217,758	10,030,771
Noncurrent Assets:				
Betterments	141,501	-	-	141,501
Land	-	614,836	-	614,836
Construction in-progress	-	1,028,727	-	1,028,727
Depreciable capital assets, net	9,147,152	50,258,558	-	59,405,710
Total Noncurrent Assets	9,288,653	51,902,121	-	61,190,774
Total Assets	11,862,132	58,141,655	1,217,758	71,221,545
Deferred Outflows of Resources:				
Related to OPEB	9,871	67,960	17,844	95,675
Related to pension	77,453	251,723	45,181	374,357
Total Deferred Outflows of Resources	87,324	319,683	63,025	470,032

(continued)

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Liabilities:				
Current Liabilities:				
Warrants and accounts payable	\$ 3,716	\$ 102,369	\$ 157,407	\$ 263,492
Accrued payroll and withholdings	12,547	40,058	1,805	54,410
Retainage payable	-	12,855	-	12,855
Accrued interest	6,704	427,628	-	434,332
Compensated absences	2,544	15,681	1,523	19,748
Current portion of long-term debt	130,000	1,722,665	-	1,852,665
Total Current Liabilities	155,511	2,321,256	160,735	2,637,502
Noncurrent liabilities:				
Compensated absences	3,110	19,165	1,861	24,136
Net OPEB liability	63,422	438,257	114,361	616,040
Net pension liability	284,454	924,476	165,932	1,374,862
Long-term debt	520,000	27,732,786	-	28,252,786
Total Noncurrent Liabilities	870,986	29,114,684	282,154	30,267,824
Total Liabilities	1,026,497	31,435,940	442,889	32,905,326
Deferred Inflows of Resources:				
Related to OPEB	13,826	95,189	24,994	134,009
Related to pension	5,395	17,532	3,147	26,074
Total Deferred Inflows of Resources	19,221	112,721	28,141	160,083
Net Position:				
Net investment in capital assets	8,497,152	23,954,721	-	32,451,873
Unrestricted	2,406,586	2,957,956	809,753	6,174,295
Total Net Position	\$ 10,903,738	\$ 26,912,677	\$ 809,753	\$ 38,626,168
				(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, 2025**

	<u>Business-Type Activities</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 2,030,958	\$ 5,985,617	\$ 1,758,782	\$ 9,775,357
Other operating revenues	<u>42,032</u>	<u>107,639</u>	<u>1,150</u>	<u>150,821</u>
Total Operating Revenues	<u>2,072,990</u>	<u>6,093,256</u>	<u>1,759,932</u>	<u>9,926,178</u>
Operating Expenses:				
Payroll and personnel costs	393,031	1,354,666	162,014	1,909,711
Operating costs	1,228,517	996,501	1,523,066	3,748,084
Depreciation	<u>389,668</u>	<u>1,205,152</u>	<u>-</u>	<u>1,594,820</u>
Total Operating Expenses	<u>2,011,216</u>	<u>3,556,319</u>	<u>1,685,080</u>	<u>7,252,615</u>
Operating Income	<u>61,774</u>	<u>2,536,937</u>	<u>74,852</u>	<u>2,673,563</u>
Nonoperating Revenues (Expenses):				
Investment income	2,315	-	-	2,315
Interest expense	<u>(26,408)</u>	<u>(944,279)</u>	<u>-</u>	<u>(970,687)</u>
Total Nonoperating Revenues (Expenses)	<u>(24,093)</u>	<u>(944,279)</u>	<u>-</u>	<u>(968,372)</u>
Income Before Transfers	<u>37,681</u>	<u>1,592,658</u>	<u>74,852</u>	<u>1,705,191</u>
Transfers:				
Transfers out	<u>(54,906)</u>	<u>(190,881)</u>	<u>(48,443)</u>	<u>(294,230)</u>
Change in Net Position	<u>(17,225)</u>	<u>1,401,777</u>	<u>26,409</u>	<u>1,410,961</u>
Net Position:				
Beginning of the year	<u>10,920,963</u>	<u>25,510,900</u>	<u>783,344</u>	<u>37,215,207</u>
End of the year	<u>\$ 10,903,738</u>	<u>\$ 26,912,677</u>	<u>\$ 809,753</u>	<u>\$ 38,626,168</u>

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Business-Type Activities</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from user charges	\$ 2,178,592	\$ 5,710,861	\$ 1,732,466	\$ 9,621,919
Receipts from other operating revenues	42,032	107,639	1,150	150,821
Payments to employees	(374,190)	(1,284,582)	(157,759)	(1,816,531)
Payments to vendors	<u>(1,231,129)</u>	<u>(2,313,668)</u>	<u>(1,489,167)</u>	<u>(5,033,964)</u>
Net Cash Provided By Operating Activities	<u>615,305</u>	<u>2,220,250</u>	<u>86,690</u>	<u>2,922,245</u>
Cash Flows from Noncapital Financial Activities:				
Transfers out	<u>(54,906)</u>	<u>(190,881)</u>	<u>(48,443)</u>	<u>(294,230)</u>
Net Cash Used In Noncapital Financing Activities	<u>(54,906)</u>	<u>(190,881)</u>	<u>(48,443)</u>	<u>(294,230)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the issuance of long-term debt	-	1,190,000	-	1,190,000
Acquisition and construction of capital assets	-	(1,338,632)	-	(1,338,632)
Principal repayments on long-term debt	(150,000)	(1,711,015)	-	(1,861,015)
Interest payments	<u>(27,800)</u>	<u>(920,389)</u>	<u>-</u>	<u>(948,189)</u>
Net Cash Used In Capital and Related Financing Activities	<u>(177,800)</u>	<u>(2,780,036)</u>	<u>-</u>	<u>(2,957,836)</u>
Cash Flow from Investing Activities:				
Investment income	<u>2,315</u>	<u>-</u>	<u>-</u>	<u>2,315</u>
Net Cash Provided By Investing Activities	<u>2,315</u>	<u>-</u>	<u>-</u>	<u>2,315</u>
Change in Cash and Cash Equivalents	384,914	(750,667)	38,247	(327,506)
Cash and Cash Equivalents:				
Beginning of the year	<u>1,688,476</u>	<u>5,461,609</u>	<u>843,923</u>	<u>7,994,008</u>
End of the year	<u>\$ 2,073,390</u>	<u>\$ 4,710,942</u>	<u>\$ 882,170</u>	<u>\$ 7,666,502</u>

(continued)

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Solid Waste	Total
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities:				
Operating Income	\$ 61,774	\$ 2,536,937	\$ 74,852	\$ 2,673,563
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Depreciation expense	389,668	1,205,152	-	1,594,820
Changes in assets, deferred outflows (inflows) of resources and liabilities:				
Receivables and other current assets	147,634	(274,756)	(26,316)	(153,438)
Warrants payable and other current liabilities	371	(1,309,922)	28,802	(1,280,749)
Accrued and deferred benefits payable	15,858	62,839	9,352	88,049
Net Cash Provided By Operating Activities	<u>\$ 615,305</u>	<u>\$ 2,220,250</u>	<u>\$ 86,690</u>	<u>\$ 2,922,245</u>
				(concluded)

See accompanying notes to basic financial statements.

TOWN OF MEDWAY, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>OPEB Trust</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and cash equivalents	\$ -	\$ 933,166
Investments at fair value:		
Fixed income securities	557,629	-
Equity securities	3,296,135	-
Mutual funds	<u>240,487</u>	<u>-</u>
Total Assets	<u>4,094,251</u>	<u>933,166</u>
Liabilities:		
Warrants and accounts payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted for other postemployment benefits	4,094,251	-
Held in trust for private purposes	<u>-</u>	<u>933,166</u>
Total Net Position	<u>\$ 4,094,251</u>	<u>\$ 933,166</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, 2025

	OPEB Trust	Private Purpose Trust Funds
	<u> </u>	<u> </u>
Additions:		
Employer contributions	\$ 1,721,471	\$ -
Other contributions	<u>-</u>	<u>29,971</u>
Total contributions	<u>1,721,471</u>	<u>29,971</u>
Net investment income	<u>392,992</u>	<u>32,783</u>
Total Additions	<u>2,114,463</u>	<u>62,754</u>
Deductions:		
Benefits to retirees	1,421,471	-
Scholarships	<u>-</u>	<u>53,056</u>
Total Deductions	<u>1,421,471</u>	<u>53,056</u>
Change in Net Position	692,992	9,698
Net Position:		
Beginning of the year	<u>3,401,259</u>	<u>923,468</u>
End of the year	<u>\$ 4,094,251</u>	<u>\$ 933,166</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, 2025

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 Town 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. This is a nonmajor fund that is reported as a major fund at the discretion of management.

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 \$15,000 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 four 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 four 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, 2025, \$129,420 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, 2025:

<u>Investments by Fair Value Level</u>	<u>June 30, 2025</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	\$ 4,667,969	\$ 4,667,969	\$ -	\$ -
U.S. Government agency obligations	78,499	78,499	-	-
Corporate bonds	<u>231,200</u>	<u>-</u>	<u>231,200</u>	<u>-</u>
Total debt securities	<u>4,977,668</u>	<u>4,746,468</u>	<u>231,200</u>	<u>-</u>
Equity securities	3,296,135	3,296,135	-	-
Mutual funds	<u>240,487</u>	<u>-</u>	<u>240,487</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 8,514,290</u>	<u>\$ 8,042,603</u>	<u>\$ 471,687</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, 2025:

<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	\$ 4,746,468	\$ 4,454,733	\$ 173,183	\$ 118,552
Corporate bonds	231,200	64,453	148,312	18,435
Total investments with maturities	<u>4,977,668</u>	<u>\$ 4,519,186</u>	<u>\$ 321,495</u>	<u>\$ 136,987</u>
Other investments:				
Equity securities	3,296,135			
Mutual funds	<u>240,487</u>			
Total Investments	<u>\$ 8,514,290</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, 2025:

<u>Credit Rating</u>	<u>U.S.</u>	
	<u>Government Obligations</u>	<u>Corporate Bonds</u>
Aaa	\$ -	\$ 19,795
Aa2	4,746,468	49,793
Aa3	-	24,299
A1	-	79,315
A2	-	57,998
	<u>\$ 4,746,468</u>	<u>\$ 231,200</u>

Concentration of Credit Risk: Investments – The Town’s investment in U.S. Treasury notes represented approximately 55% of its total investments. No other individual investment represented more than 5% of the Town’s total investments at June 30, 2025.

B. Receivables

Receivables as of June 30, 2025 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	\$ 984,122	\$ (12,000)	\$ 972,122
Tax liens	1,074,290	-	1,074,290
Motor vehicle excise taxes	220,243	(26,000)	194,243
Ambulance	310,089	(99,000)	211,089
Departmental	257,829	-	257,829
Intergovernmental	371,375	-	371,375
	<u>\$ 3,217,948</u>	<u>\$ (137,000)</u>	<u>\$ 3,080,948</u>

Receivables as of June 30, 2025 for the Town's proprietary funds were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer user charges	\$ 474,253	\$ (5,000)	\$ 469,253
Sewer betterments	172,337	-	172,337
Water user charges	1,533,592	(5,000)	1,528,592
Solid waste user charges	336,588	(1,000)	335,588
	<u>\$ 2,516,770</u>	<u>\$ (11,000)</u>	<u>\$ 2,505,770</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	\$ 958,239	\$ 13,883	\$ -	\$ 972,122
Tax liens	1,067,451	6,839	-	1,074,290
Motor vehicle excise taxes	194,243	-	-	194,243
Departmental	3,853	-	156,290	160,143
Ambulance	-	-	211,089	211,089
	<u>\$ 2,223,786</u>	<u>\$ 20,722</u>	<u>\$ 367,379</u>	<u>\$ 2,611,887</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 30,725,462	\$ -	\$ -	\$ 30,725,462
Capital assets being depreciated:				
Buildings and improvements	135,291,573	4,157,100	-	139,448,673
Infrastructure	48,131,519	1,832,300	(92,913)	49,870,906
Machinery and equipment	14,415,047	1,090,738	(102,425)	15,403,360
Vehicles	4,645,412	383,058	-	5,028,470
Total capital assets being depreciated	<u>202,483,551</u>	<u>7,463,196</u>	<u>(195,338)</u>	<u>209,751,409</u>
Less accumulated depreciation for:				
Buildings and improvements	(52,854,992)	(3,520,913)	-	(56,375,905)
Infrastructure	(30,171,052)	(1,295,541)	92,913	(31,373,680)
Machinery and equipment	(9,381,174)	(946,826)	-	(10,328,000)
Vehicles	(2,921,576)	(454,009)	102,425	(3,273,160)
Total accumulated depreciation	<u>(95,328,794)</u>	<u>(6,217,289)</u>	<u>195,338</u>	<u>(101,350,745)</u>
Total capital assets being depreciated, net	<u>107,154,757</u>	<u>1,245,907</u>	<u>-</u>	<u>108,400,664</u>
Governmental Activities Capital Assets, Net	<u>\$ 137,880,219</u>	<u>\$ 1,245,907</u>	<u>\$ -</u>	<u>\$ 139,126,126</u>

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

General government	\$ 392,291
Public safety	615,180
Education	2,652,375
Public works	2,076,317
Health and human services	20,338
Culture and recreation	460,788
	<u>\$ 6,217,289</u>

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<u>Business-Type Activities: Combined:</u>				
Capital assets not being depreciated:				
Land	\$ 614,836	\$ -	\$ -	\$ 614,836
Construction in-progress	<u>30,666,625</u>	<u>663,129</u>	<u>(30,301,027)</u>	<u>1,028,727</u>
Total capital assets not being depreciated	<u>31,281,461</u>	<u>663,129</u>	<u>(30,301,027)</u>	<u>1,643,563</u>
Capital assets being depreciated:				
Infrastructure	61,769,184	32,443,195	(1,503,165)	92,709,214
Machinery and equipment	1,822,232	36,500	-	1,858,732
Vehicles	<u>750,473</u>	<u>-</u>	<u>-</u>	<u>750,473</u>
Total capital assets being depreciated	<u>64,341,889</u>	<u>32,479,695</u>	<u>(1,503,165)</u>	<u>95,318,419</u>
Less accumulated depreciation for:				
Infrastructure	(32,186,295)	(1,497,212)	-	(33,683,507)
Machinery and equipment	(1,570,942)	(59,824)	-	(1,630,766)
Vehicles	<u>(560,652)</u>	<u>(37,784)</u>	<u>-</u>	<u>(598,436)</u>
Total accumulated depreciation	<u>(34,317,889)</u>	<u>(1,594,820)</u>	<u>-</u>	<u>(35,912,709)</u>
Total capital assets being depreciated, net	<u>30,024,000</u>	<u>30,884,875</u>	<u>(1,503,165)</u>	<u>59,405,710</u>
Business-Type Activities Capital Assets, Net	<u>\$ 61,305,461</u>	<u>\$ 31,548,004</u>	<u>\$ (31,804,192)</u>	<u>\$ 61,049,273</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<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	<u>350,064</u>	<u>-</u>	<u>-</u>	<u>350,064</u>
Total capital assets being depreciated	<u>20,391,982</u>	<u>-</u>	<u>-</u>	<u>20,391,982</u>
Less accumulated depreciation for:				
Infrastructure	(10,475,179)	(364,579)	-	(10,839,758)
Machinery and equipment	(137,224)	-	-	(137,224)
Vehicles	<u>(242,759)</u>	<u>(25,089)</u>	<u>-</u>	<u>(267,848)</u>
Total accumulated depreciation	<u>(10,855,162)</u>	<u>(389,668)</u>	<u>-</u>	<u>(11,244,830)</u>
Total capital assets being depreciated, net	<u>9,536,820</u>	<u>(389,668)</u>	<u>-</u>	<u>9,147,152</u>
Total Sewer	<u>\$ 9,536,820</u>	<u>\$ (389,668)</u>	<u>\$ -</u>	<u>\$ 9,147,152</u>
				<i>(continued)</i>

	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	<u>30,666,625</u>	<u>663,129</u>	<u>(30,301,027)</u>	<u>1,028,727</u>
Total capital assets not being depreciated	<u>31,281,461</u>	<u>663,129</u>	<u>(30,301,027)</u>	<u>1,643,563</u>
Capital assets being depreciated:				
Infrastructure	41,864,490	32,443,195	(1,503,165)	72,804,520
Machinery and equipment	1,685,008	36,500	-	1,721,508
Vehicles	<u>400,409</u>	<u>-</u>	<u>-</u>	<u>400,409</u>
Total capital assets being depreciated	<u>43,949,907</u>	<u>32,479,695</u>	<u>(1,503,165)</u>	<u>74,926,437</u>
Less accumulated depreciation for:				
Infrastructure	(21,711,116)	(1,132,633)	-	(22,843,749)
Machinery and equipment	(1,433,718)	(59,824)	-	(1,493,542)
Vehicles	<u>(317,893)</u>	<u>(12,695)</u>	<u>-</u>	<u>(330,588)</u>
Total accumulated depreciation	<u>(23,462,727)</u>	<u>(1,205,152)</u>	<u>-</u>	<u>(24,667,879)</u>
Total capital assets being depreciated, net	<u>20,487,180</u>	<u>31,274,543</u>	<u>(1,503,165)</u>	<u>50,258,558</u>
Total Water	<u>\$ 51,768,641</u>	<u>\$ 31,937,672</u>	<u>\$ (31,804,192)</u>	<u>\$ 51,902,121</u>
				<i>(concluded)</i>

D. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2025 was as follows:

Transfers Out	Transfers In			Total	
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds		
General Fund	\$ -	\$ 4,350,000	\$ -	\$ 4,350,000	(1)
Community Preservation Fund	-	-	17,500	17,500	(2)
Nonmajor Governmental Funds	767,492	32,853	-	800,345	(3)
Sewer Enterprise Fund	54,906	-	-	54,906	(4)
Water Enterprise Fund	190,881	-	-	190,881	(4)
Solid Waste Fund	<u>48,443</u>	<u>-</u>	<u>-</u>	<u>48,443</u>	(4)
	<u>\$ 1,061,722</u>	<u>\$ 4,382,853</u>	<u>\$ 17,500</u>	<u>\$ 5,462,075</u>	

- (1) Transfers of \$3,100,000 from capital stabilization and \$1,500,000 from free cash to fund capital projects.
- (2) Transfer to affordable housing trust.
- (3) Primarily consists of a \$767,000 budgeted transfer from the ambulance receipts reserved for appropriation to the general fund to supplement budget.
- (4) Primarily transfers to the general fund to cover shared debt service costs.

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 table summarizes the short-term or temporary borrowing activities in fiscal year 2025:

Type	Interest Rate	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance
MCWT interim note payable	0.00%	unknown	<u>\$ -</u>	<u>\$ 91,190</u>	<u>\$ -</u>	<u>\$ 91,190</u>

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	\$ 29,605,000	\$ 285,000	\$ (3,405,000)	\$ 26,485,000	\$ 3,465,000
Unamortized bond premium	1,284,978	-	(180,627)	1,104,351	165,828
Direct borrowings and placements	225,947	-	(19,489)	206,458	19,504
Compensated absences (a)	357,671	59,729	-	417,400	187,830
Net OPEB liability	22,805,712	13,029,472	(11,944,588)	23,890,596	-
Net pension liability	<u>25,018,987</u>	<u>10,773,064</u>	<u>(13,462,409)</u>	<u>22,329,642</u>	<u>-</u>
Total Governmental Activities	<u>\$ 79,298,295</u>	<u>\$ 24,147,265</u>	<u>\$ (29,012,113)</u>	<u>\$ 74,433,447</u>	<u>\$ 3,838,162</u>

(a) Change is presented as a net change as permitted under GAAP.

Description of Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Business-Type Activities:</i>					
Sewer:					
General obligation bonds	\$ 800,000	\$ -	\$ (150,000)	\$ 650,000	\$ 130,000
Compensated absences (a)	6,090	-	(436)	5,654	2,544
Net OPEB liability	60,239	30,396	(27,213)	63,422	-
Net pension liability	318,713	137,238	(171,497)	284,454	-
Total Sewer	1,185,042	167,634	(349,146)	1,003,530	132,544
Water:					
General obligation bonds	26,490,000	1,190,000	(1,440,000)	26,240,000	1,455,000
Unamortized bond premium	1,405,522	-	(117,073)	1,288,449	110,377
Direct borrowings and placements	2,080,944	-	(153,942)	1,927,002	157,288
Compensated absences (a)	35,898	-	(1,052)	34,846	15,681
Net OPEB liability	410,976	213,088	(185,807)	438,257	-
Net pension liability	1,035,818	446,019	(557,361)	924,476	-
Total Water	31,459,158	1,849,107	(2,455,235)	30,853,030	1,738,346
Solid Waste:					
Compensated absences (a)	4,752	-	(1,368)	3,384	1,523
Net OPEB liability	109,044	54,510	(49,193)	114,361	-
Net pension liability	185,916	80,056	(100,040)	165,932	-
Total Solid Waste	299,712	134,566	(150,601)	283,677	1,523
Total Business-Type Activities	\$ 32,943,912	\$ 2,151,307	\$ (2,954,982)	\$ 32,140,237	\$ 1,872,413

(a) Change is presented as a net change as permitted under GAAP.

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, 2025 were as follows:

Description	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	1.00 - 5.00%	\$ 29,605,000	\$ 285,000	\$ (3,405,000)	\$ 26,485,000
MCWT Notes	2.00%	225,947	-	(19,489)	206,458
Total Governmental Activities, net		\$ 29,830,947	\$ 285,000	\$ (3,424,489)	\$ 26,691,458
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	2.00 - 5.0%	\$ 800,000	\$ -	\$ (150,000)	\$ 650,000
<i>Business-Type Activities - Water:</i>					
General obligation bonds	1.00 - 5.00%	26,490,000	1,190,000	(1,440,000)	26,240,000
MCWT Notes	2.00%	2,080,944	-	(153,942)	1,927,002
Total Water		28,570,944	1,190,000	(1,593,942)	28,167,002
Total Business-Type Activities, net		\$ 29,370,944	\$ 1,190,000	\$ (1,743,942)	\$ 28,817,002

Debt service requirements on long-term debt at June 30, 2025 are as follows:

Year Ended June 30,	Governmental Activities			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 3,465,000	\$ 836,639	\$ 19,504	\$ 1,715
2027	2,815,000	720,593	19,519	1,524
2028	2,675,000	618,121	19,534	1,334
2029	2,660,000	523,554	19,549	1,143
2030	2,305,000	433,590	19,563	953
2031 - 2035	7,370,000	1,268,744	88,518	1,905
2036 - 2040	4,505,000	470,432	20,271	-
2041 - 2043	690,000	53,100	-	-
	<u>\$ 26,485,000</u>	<u>\$ 4,924,773</u>	<u>\$ 206,458</u>	<u>\$ 8,574</u>

Year Ended June 30,	Business-Type Activities: Combined			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 1,585,000	\$ 989,594	\$ 157,288	\$ 38,310
2027	1,580,000	927,928	160,708	35,159
2028	1,500,000	867,807	164,200	31,940
2029	1,490,000	809,750	167,769	28,651
2030	1,485,000	752,986	171,415	25,290
2031 - 2035	5,535,000	3,130,288	914,600	73,427
2036 - 2040	5,240,000	2,174,592	191,022	6,241
2041 - 2045	3,470,000	1,319,500	-	-
2046 - 2050	3,090,000	693,200	-	-
2051 - 2053	1,915,000	122,800	-	-
	<u>\$ 26,890,000</u>	<u>\$ 11,788,445</u>	<u>\$ 1,927,002</u>	<u>\$ 239,018</u>

Year Ended June 30,	Business-Type Activities: Sewer			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 130,000	\$ 22,538	\$ -	\$ -
2027	130,000	17,612	-	-
2028	130,000	12,631	-	-
2029	130,000	7,600	-	-
2030	130,000	2,538	-	-
	<u>\$ 650,000</u>	<u>\$ 62,919</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
2026	\$ 1,455,000	\$ 967,056	\$ 157,288	\$ 38,310
2027	1,450,000	910,316	160,708	35,159
2028	1,370,000	855,176	164,200	31,940
2029	1,360,000	802,150	167,769	28,651
2030	1,355,000	750,448	171,415	25,290
2031 - 2035	5,535,000	3,130,288	914,600	73,427
2036 - 2040	5,240,000	2,174,592	191,022	6,241
2041 - 2045	3,470,000	1,319,500	-	-
2046 - 2050	3,090,000	693,200	-	-
2051 - 2053	1,915,000	122,800	-	-
	<u>\$ 26,240,000</u>	<u>\$ 11,725,526</u>	<u>\$ 1,927,002</u>	<u>\$ 239,018</u>
				(concluded)

Authorized and unissued debt at June 30, 2025 included:

Project	Amount
Town Hall/Public Safety Complex	\$ 7,900,000
High School culvert construction	2,878,000
Urban renewal projects	2,485,000
Hanlon track and field	1,687,000
Fire truck	1,100,000
Village Street pump station	738,000
Stormwater matching grants	620,000
Water treatment plant	612,000
McGovern School bathrooms	525,000
High School boilers	425,250
Title V septic loans	300,000
PFAS pilot treatment study	200,000
Lead water line study	140,000
	<u>\$ 19,610,250</u>

G. Fund Balances

The components of fund balances as listed in aggregate in the governmental funds balance sheet at June 30, 2025 are as follows:

	General Fund	Community Preservation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Nonexpendable perpetual funds	\$ -	\$ -	\$ -	\$ 8,000	\$ 8,000
Restricted:					
Expendable perpetual funds	-	-	-	817,251	817,251
General government	-	-	-	2,607,347	2,607,347
Public safety	-	-	-	2,222,181	2,222,181
Education	-	-	-	3,641,269	3,641,269
Public works	-	-	-	724,114	724,114
Health and human services	-	-	-	139,805	139,805
Culture and recreation	-	-	-	1,456,914	1,456,914
Debt service reserve	173,754	-	-	-	173,754
Community preservation	-	6,511,964	-	-	6,511,964
Capital projects	-	-	1,924,706	-	1,924,706
Committed:					
General government	414,882	-	-	-	414,882
Public safety	1,322,825	-	-	-	1,322,825
Education	227,823	-	-	-	227,823
Public works	525,063	-	-	-	525,063
Culture and recreation	45,488	-	-	-	45,488
Capital stabilization funds	5,610,924	-	-	-	5,610,924
Other stabilization funds	426,967	-	-	-	426,967
Assigned:					
General government	164,750	-	-	-	164,750
Public safety	241,619	-	-	-	241,619
Education	137,779	-	-	-	137,779
Subsequent years' budget	2,834,608	-	-	-	2,834,608
Other purposes	4,078	-	-	-	4,078
Unassigned:					
General stabilization funds	5,337,808	-	-	-	5,337,808
Unrestricted	8,759,891	-	-	(240,299)	8,519,592
	<u>\$ 26,228,259</u>	<u>\$ 6,511,964</u>	<u>\$ 1,924,706</u>	<u>\$ 11,376,582</u>	<u>\$ 46,041,511</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 \$548,226 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 2025.

The Town reported deficits of \$240,299 in its nonmajor governmental funds at June 30, 2025. The Town expects these deficits will be cured through future intergovernmental receipts or budget transfers.

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, 2024 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, 2024 was as follows:

Active members	6,206
Inactive members	3,164
Retirees and beneficiaries	<u>3,958</u>
	<u>13,328</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 \$3,734,463 to the Retirement System in fiscal year 2025, which equaled its actuarially-determined contribution requirement for the fiscal year. The Town's contributions as a percentage of covered payroll were approximately 25% in fiscal year 2025.

Net Pension Liability – At June 30, 2025, the Town reported a liability of \$23,704,504 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, 2024 and rolled forward to December 31, 2024, the measurement date. There were no material changes to the Retirement System's benefit terms since the actuarial valuation. There were no significant changes in actuarial assumptions from the prior year.

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 3.69% and 3.82%, respectively, at December 31, 2024 and 2023.

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, 2024, 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 \$4,979,560 in pension expense in the statement of activities in fiscal year 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, 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	\$ 1,153,257	\$ -
Changes of assumptions	3,221,341	-
Net difference between projected and actual earnings on pension plan investments	2,046,089	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	33,764	449,545
	<u>\$ 6,454,451</u>	<u>\$ 449,545</u>

The net deferred outflows of resources at June 30, 2025 are expected to be recognized in the Town's pension expense as follows:

Year Ended June 30,

2026	\$ 2,223,603
2027	3,119,203
2028	895,172
2029	<u>(233,072)</u>
	<u>\$ 6,004,906</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	4.0% to 5.5%
Cost of Living Adjustments	3.0% of the first \$20,000 of retirement income
Investment Rate of Return	7.625%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Tables Report from the Society of Actuaries dated January 2019; amount-weighted and projected generationally with Scale MP-2021

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, 2024 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	30.5%	7.3%
International equity	15.5%	8.0%
Fixed income	20.5%	4.9%
Real estate	9.5%	7.0%
Private equity	10.0%	10.2%
Hedge funds	11.5%	8.6%
Real estate	2.5%	8.9%

Discount Rate – The discount rate used to measure the total pension liability at December 31, 2024 was 7.625%, which was unchanged from the prior year. 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
7.625%	\$ 32,117,913	\$ 23,704,504	\$ 16,555,971

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, 2024 (the latest period for which MTRS has provided financial data), the Commonwealth contributed \$5,234,554 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 0.2165%, 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 \$54,902,977 at June 30, 2024 (the latest period for which MTRS has provided financial data). The pension expense assumed by the Commonwealth on behalf of the Town was \$4,531,780 for the year ended June 30, 2024 (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, 2025.

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, 2025:

Inactive employees or beneficiaries receiving benefits	361
Active employees	<u>279</u>
	<u>640</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 2025. The costs of administering the OPEB Plan are paid by the Town. For the year ended June 30, 2025, the Town’s average contribution rate was approximately 4% of covered payroll.

Net OPEB Liability – The Town’s net OPEB liability was determined using an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2025 (the measurement date). The components of the net OPEB liability at June 30, 2025 were as follows:

Total other postemployment benefits liability	\$ 28,600,887
Less Plan fiduciary net position	<u>4,094,251</u>
Net other postemployment benefits liability	<u>\$ 24,506,636</u>
Plan fiduciary net position as a percentage of total other postemployment benefits liability	14.3%

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
Healthcare Cost Trends	5.0% in 2024 trending down to an ultimate rate of 3.63% in 2060
Investment Rate of Return	6.49% (previously 6.81%)
Single Equivalent Discount Rate	6.49% (previously 6.81%)
Pre-retirement Mortality	RP-2014 Blue Collar Mortality Table projected generationally with scale MP-2021, set forward one year for females (non-teachers only); for teachers, the PubT-2010 Mortality Table (headcount-weighted) for Employees projected generationally with scale MP-2021
Post-retirement Mortality	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2021, set forward one year for females (non-teachers only); for teachers, the PubT-2010 Mortality Table (headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
Disabled Mortality	RP-2014 Blue Collar Healthy Annuitant Table projected generationally for scale MP-2021, set forward one year for males and two years for females (non-teachers only); for teachers, the PubT-2010 Mortality Table (headcount-weighted) for Healthy Annuitant projected generationally with scale MP-2021

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities - large cap	55.75%	4.91%
Domestic equities - small/mid cap	6.00%	5.29%
International equities - developed markets	8.75%	5.32%
International equities - emerging markets	3.75%	6.13%
Fixed income - domestic	16.50%	2.30%
Fixed income - international	1.00%	2.02%
Alternatives	4.00%	6.35%
Real estate	2.50%	6.25%
Cash	<u>1.75%</u>	<u>0.00%</u>
Total	<u>100.00%</u>	
Real rate of return		4.56%
Inflation assumption		<u>2.50%</u>
Total nominal return		7.06%
Less investment expense		<u>-0.25%</u>
Net investment return		<u>6.81%</u>

Discount Rate – The discount rate used to measure the total OPEB liability was 6.49% versus a discount rate of 6.81% 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, 2025:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2024	\$ 26,787,230	\$ 3,401,259	\$ 23,385,971
Changes for the year:			
Service cost	491,570	-	491,570
Interest	1,810,082	-	1,810,082
Changes in assumptions	933,476	-	933,476
Employer contributions	-	1,721,471	(1,721,471)
Net investment income	-	392,992	(392,992)
Benefit payments	<u>(1,421,471)</u>	<u>(1,421,471)</u>	<u>-</u>
Net changes	<u>1,813,657</u>	<u>692,992</u>	<u>1,120,665</u>
Balances at June 30, 2025	<u>\$ 28,600,887</u>	<u>\$ 4,094,251</u>	<u>\$ 24,506,636</u>

Sensitivity Analyses – The following presents the Town’s net OPEB liability at June 30, 2025 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
6.49%	\$ 21,194,902	\$ 24,506,636	\$ 28,544,278

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
5.00%	\$ 28,137,580	\$ 24,506,636	\$ 21,511,368

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the Town recognized an OPEB expense of \$2,137,268. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2025 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 665,406	\$ 3,266,671
Changes of assumptions	3,131,244	1,809,682
Net difference between projected and actual earnings on OPEB Plan investments	-	241,516
	<u>\$ 3,796,650</u>	<u>\$ 5,317,869</u>

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

Year Ended June 30,

2026	\$ 555,425
2027	(708,336)
2028	(1,524,739)
2029	<u>156,431</u>
	<u>\$ (1,521,219)</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, 2025, the annual money-weighted rate of return on investments, net of investment expense, was approximately 10.7%. 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, 2025 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, 2025.

Appellate Tax Board – The Town has pending cases filed with the Massachusetts Appellate Tax Board of the Commonwealth of Massachusetts (“ATB”). Assessed residential real estate values for ATB cases totaled approximately \$0.7 million at June 30, 2025. 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, 2025, approximately 23% of total general fund revenues were recognized from the Commonwealth or other governmental agencies.

IV. Implementation of Accounting Pronouncements

A. Current Year Implementations

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement was 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 became effective in fiscal year 2025. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement was to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement became effective in fiscal year 2025. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

B. Future Year Implementations

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statements is to provide users of government financial statements with essential information about certain types of capital assets. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). 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
2025	3.69%	\$ 23,705	\$ 14,811	160.0%	70.2%
2024	3.82%	26,559	13,871	191.5%	66.6%
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%

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
2025	\$ 3,735	\$ 3,735	\$ -	\$ 14,811	25.2%
2024	3,709	3,709	-	13,871	26.7%
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%

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
2025	100%	0%	\$ 54,903	\$ 5,235	61.5%
2024	100%	0%	52,974	4,330	58.5%
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%

* 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.

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,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:									
Service cost	\$ 492	\$ 865	\$ 808	\$ 485	\$ 468	\$ 452	\$ 859	\$ 1,131	\$ 1,736
Interest	1,810	2,077	2,025	1,559	1,513	1,518	1,781	1,276	1,289
Changes in benefit terms	-	(3,553)	-	-	-	-	-	-	-
Differences in experience	-	(5,444)	-	2,580	-	(8,229)	-	(4,578)	-
Changes in assumptions	933	(3,016)	713	8,019	-	(1,239)	(6,620)	-	-
Benefit payments	(1,421)	(1,649)	(1,503)	(1,342)	(1,240)	(1,165)	(1,125)	(1,056)	(1,054)
Net Change in Total OPEB Liability	1,814	(10,720)	2,043	11,301	741	(8,663)	(5,105)	(3,227)	1,971
Total OPEB Liability:									
Beginning of year	25,787	36,507	34,464	24,163	23,422	32,085	37,190	40,417	38,446
End of year (a)	\$ 27,601	\$ 25,787	\$ 36,507	\$ 35,464	\$ 24,163	\$ 23,422	\$ 32,085	\$ 37,190	\$ 40,417
Plan Fiduciary Net Position:									
Contributions	\$ 1,721	\$ 1,949	\$ 1,803	\$ 1,642	\$ 1,540	\$ 1,465	\$ 1,425	\$ 1,156	\$ 1,154
Net investment income (loss)	393	374	296	(175)	406	50	95	3	1
Benefit payments	(1,421)	(1,649)	(1,503)	(1,342)	(1,240)	(1,165)	(1,125)	(1,056)	(1,054)
Net Change in Plan Fiduciary Net Position	693	674	596	125	706	350	395	103	101
Plan Fiduciary Net Position:									
Beginning of year	3,401	2,727	2,131	2,006	1,300	950	555	452	351
End of year (b)	\$ 4,094	\$ 3,401	\$ 2,727	\$ 2,131	\$ 2,006	\$ 1,300	\$ 950	\$ 555	\$ 452
Net OPEB Liability — End of Year	\$ 23,507	\$ 22,386	\$ 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	14.8%	13.2%	7.5%	6.0%	8.3%	5.6%	3.0%	1.5%	1.1%
Covered payroll	\$ 39,404	\$ 38,256	\$ 33,574	\$ 32,596	\$ 26,896	\$ 26,113	\$ 21,905	\$ 21,267	\$ 19,594
Net OPEB Liability as a Percentage of Covered Payroll	59.7%	58.5%	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
2025	\$ 1,762	\$ 1,721	\$ 41	\$ 39,404	4.4%
2024	2,122	1,949	173	38,256	5.1%
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, 2023
Asset valuation method	Market value of the assets as of the reporting date
Actuarial cost method	Individual entry age normal
Investment rate of return	6.49% (previously 6.81%)
Single equivalent discount rate	6.49% (previously 6.81%)
Healthcare cost trend rates	5.0% in 2024 trending down to an ultimate rate of 3.63% in 2060

SCHEDULE OF INVESTMENT RETURNS

Year Ended June 30,	Annual Money- Weighted Rate of Return (net of investment expenses)
2025	10.69%
2024	12.46%
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, 2025**

	Budgeted Amounts		Actual		Actual	Positive
	Original	Final	Budgetary	Articles and	Budgetary	(Negative)
	Budget	Budget	Amounts	Encumbrances	Adjusted	Variance
Revenues:						
Property taxes, net of tax refunds	\$ 50,921,176	\$ 50,921,176	\$ 50,904,972		\$ 50,904,972	\$ (16,204)
Intergovernmental	12,927,727	12,927,727	12,906,521		12,906,521	(21,206)
Motor vehicle and other excise taxes	2,364,581	2,364,581	3,103,202		3,103,202	738,621
Licenses and permits	400,000	400,000	917,760		917,760	517,760
Penalties and interest on taxes	80,000	80,000	176,059		176,059	96,059
Fines and forfeitures	10,000	10,000	21,275		21,275	11,275
Departmental and other revenues	343,821	343,821	687,853		687,853	344,032
Investment income	150,000	150,000	1,049,981		1,049,981	899,981
Total Revenues	67,197,305	67,197,305	69,767,623		69,767,623	2,570,318
Expenditures:						
General government	5,291,437	5,254,037	4,579,068	\$ 579,632	5,158,700	95,337
Public safety	9,910,276	9,942,776	8,288,848	1,564,444	9,853,292	89,484
Education	34,066,556	34,066,556	33,687,677	365,601	34,053,278	13,278
Public works	5,821,100	5,821,100	4,962,437	527,177	5,489,614	331,486
Health and human services	550,674	553,074	530,512	-	530,512	22,562
Culture and recreation	1,115,861	1,118,361	1,044,988	47,453	1,092,441	25,920
Pension and fringe benefits	12,382,023	12,382,023	10,708,774	-	10,708,774	1,673,249
State and county charges	1,009,634	1,009,634	896,310	-	896,310	113,324
Debt service	4,432,132	4,432,132	3,673,006	-	3,673,006	759,126
Total Expenditures	74,579,693	74,579,693	68,371,620	\$ 3,084,307	71,455,927	3,123,766
Other Financing Sources (Uses):						
Transfers in	1,598,248	1,598,248	1,598,740		1,598,740	492
Transfers out	(2,950,000)	(2,950,000)	(2,950,000)		(2,950,000)	-
Total Other Financing Sources (Uses)	(1,351,752)	(1,351,752)	(1,351,260)		(1,351,260)	492
(Deficiency) Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,734,140)	(8,734,140)	\$ 44,743		\$ (3,039,564)	\$ 5,694,576
Other Budgetary Items:						
Prior year articles and encumbrances	3,350,388	3,350,388				
Free cash	5,383,752	5,383,752				
Total Other Budgetary Items	8,734,140	8,734,140				
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, 2025

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			\$ 69,767,623
On behalf payments	\$ 4,531,780	\$ -	4,531,780
Stabilization interest	-	550,930	550,930
Revenues — GAAP basis	<u>\$ 4,531,780</u>	<u>\$ 550,930</u>	<u>\$ 74,850,333</u>
Expenditures — budgetary basis			\$ 68,371,620
Accounting for indirect costs	\$ -	\$ (792,248)	(792,248)
Transfer treatment - debt service	-	294,230	294,230
On behalf payments	4,531,780	-	4,531,780
Expenditures — GAAP basis	<u>\$ 4,531,780</u>	<u>\$ (498,018)</u>	<u>\$ 72,405,382</u>
Net transfers — budgetary basis			\$ (1,351,260)
Accounting for indirect costs	\$ -	\$ (792,248)	(792,248)
Transfer treatment - debt service	-	294,230	294,230
Stabilization transfers	-	(1,439,000)	(1,439,000)
Net transfers — GAAP basis	<u>\$ -</u>	<u>\$ (1,937,018)</u>	<u>\$ (3,288,278)</u>

AGENDA ITEM

#6

**Presentation: OPEB Actuarial Report
by Odessey Associates**

Associated back up materials are attached:

- *OPEB Letter*
- *OPEB Actuarial Report*
- *Presentation*

August 15, 2025

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, 2025 with a Valuation Date of July 1, 2023 and a Measurement Date of June 30, 2025 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

How did plan liabilities change from FY 24 to FY 25?

The Total OPEB Liability ("TOL") went from \$26,787,230 for the June 30, 2024 Reporting Date to \$28,600,887 for the June 30, 2025 Reporting Date for an increase of \$1,813,657. Below is an exhibit detailing the change.

Change in Total OPEB Liability	
I. TOL Balance for the June 30, 2024 Reporting Date	26,787,230
II. Passage of Time (Service Cost, Interest and Payments)	880,181
III. Plan Benefit Changes	0
IV. Assumption Changes	933,476
V. Prior Period Adjustment	0
VI. Expected TOL Balance for June 30, 2025 [I.+II.+III.+IV.+V.]	28,600,887
VII. Plan Experience	0
VIII. TOL Balance for the June 30, 2025 Reporting Date [VI.+VII.]	28,600,887

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 \$933,476. 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, 2023	July 1, 2023
For the Measurement Period ending on the Measurement Date of:	June 30, 2025	June 30, 2024
For the Reporting Period & Fiscal Year ending on:	June 30, 2025	June 30, 2024
I. Total OPEB Liability	28,600,887	26,787,230
II. Fiduciary Net Position [Plan Assets]	4,094,251	3,401,259
III. Net OPEB Liability (Asset) [I. - II.]	24,506,636	23,385,971
IV. Funded Ratio [II. / I.]	14.32%	12.70%
V. Employer OPEB Trust (Contribution)/Withdrawal	(300,000)	(300,000)
VI. Pay-as-you-go Cost	1,421,471	1,648,929
VII. Money Weighted Rate of Return	10.69%	12.46%
VIII. Discount Rate	6.49%	6.81%
IX. Crossover Date	N/A	N/A
X. Actuarially Determined Contribution (ADC)	1,762,395	2,121,932

The discount rate used to measure the Total OPEB liability was 6.49% as of June 30, 2025 and 6.81% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets was applied to all projected future benefits payments.

The Town is projected to be fully funded in the year 2043.

The Town is expected to contribute \$300,000 annually beyond pay-as-you-go costs until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB.

Average Premiums:

Active Health Plan (Single coverage):	986.86
Medicare-Supplement Plan (Single coverage):	286.24

For the year ending on the Measurement Date of June 30, 2025, there was no plan experience because this was an interim valuation.

Contributions in relation to past liabilities:	1,421,471
Contributions in relation to current liabilities:	<u>300,000</u>
Total Contributions:	1,721,471

Town of Medway Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2023

As of the Measurement Date:
June 30, 2025

For the Reporting Date:
June 30, 2025

Delivered August 15, 2025



TABLE OF CONTENTS

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

August 15, 2025

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, 2025 with a Measurement Date of June 30, 2025 and a Valuation Date of July 1, 2023. The figures presented in this report reflect the adoption, by the Town of 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,



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

August 15, 2025

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, 2023 with a Measurement Date of June 30, 2025 for the Reporting Date & Fiscal Year Ending June 30, 2025 in accordance with Governmental Accounting Standards Board Statement No. 74 & 75 and Actuarial Standards of Practice as issued by the American Academy of Actuaries. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

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

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

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



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

EXECUTIVE SUMMARY

How did plan liabilities change from FY 24 to FY 25?

Plan Experience

For the year ending on the Measurement Date of June 30, 2025, there was no plan experience because this was an interim valuation.

Assumption Changes

One key assumption has changed since the prior valuation. The impact of this assumption change increased disclosed liabilities by approximately \$930 thousand, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 6.81% to 6.49% increasing the disclosed liability by approximately \$930 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 \$150 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 5.00 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 66.26% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 4.96% increase in fiscal year 2025 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.49%) – 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 4.81% as of June 30, 2025.
- ✓ Current Asset Level – The Town had \$4,094,251 of OPEB assets as of June 30, 2025.
- ✓ Future Funding Policy – The Town is expected to contribute \$300,000 annually beyond pay-as-you-go costs until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB.
- ✓ Investment Policy – The Town is expected to earn 6.49% 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 4.81% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDROM Total OPEB Liability is \$35.1 million vs. the \$28.6 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$7 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

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. The Town currently has no retirees or covered spouses who are over the age of 65 and enrolled in an Active medical plan, but it is something you’ll want to monitor to avoid larger OPEB costs than they otherwise would be.

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2023	July 1, 2023
Measurement Date & Period Ending	June 30, 2025	June 30, 2024
Reporting Date/Fiscal Year End	June 30, 2025	June 30, 2024
Total OPEB Liability	28,600,887	26,787,230
Per Eligible Active Plan Participant	46,151	46,006
Per Retiree/Spouse Plan Participant	43,559	38,647
Total Annual Service Cost (Annual Benefit Accrual)	491,570	864,996
Per Eligible Active Plan Participant	1,762	3,100
Expected Employer Share of Retiree Costs	1,421,471	1,648,929
Per Retiree/Spouse Plan Participant	3,938	4,568
Net OPEB Liability as a % of Covered Payroll	62.19%	61.13%

EXECUTIVE SUMMARY

Liabilities & Benefit Payments in Today's Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2025	373	28,600,887	27,767,851	1,421,471	1,380,069
June 30, 2030	373	32,362,153	27,102,794	1,782,673	1,492,961
June 30, 2035	359	36,354,489	26,263,256	2,004,602	1,448,167
June 30, 2040	337	40,061,302	24,964,879	2,533,243	1,578,633
June 30, 2045	307	43,677,074	23,478,580	2,840,843	1,527,093
June 30, 2050	282	48,449,914	22,465,970	2,952,700	1,369,151
June 30, 2055	266	54,895,421	21,957,463	3,125,970	1,250,348

EXECUTIVE SUMMARY

Continuing OPEB Disclosures

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

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

<u>Fiscal Year Ending</u>	<u>Cost</u>
June 30, 2026 (Projected)	1,471,655
June 30, 2025	1,421,471
June 30, 2024	1,648,929
June 30, 2023	1,503,215
June 30, 2022	1,341,829
June 30, 2021	1,240,317

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2025 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$24,506,636 assuming a discount rate of 6.49%. 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 until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB. The balance of this fund as of June 30, 2025 was \$4,094,251. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Medway Assuming Funding - 6.49% discount rate Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2023	July 1, 2023
For the Measurement Period ending on the Measurement Date of:	June 30, 2025	June 30, 2024
For the Reporting Period & Fiscal Year ending on:	June 30, 2025	June 30, 2024
I. Total OPEB Liability		
A. Actives	12,876,156	12,835,752
B. Retirees/Disabled	<u>15,724,731</u>	<u>13,951,478</u>
C. Total	28,600,887	26,787,230
II. Fiduciary Net Position [Plan Assets]	4,094,251	3,401,259
III. Net OPEB Liability (Asset) [I. - II.]	24,506,636	23,385,971
IV. Funded Ratio [II. / I.]	14.32%	12.70%
V. Number of Eligible Participants		
A. Actives	279	279
B. Retirees/Disabled & Dependents	<u>361</u>	<u>361</u>
C. Total	640	640
VI. Service Cost	491,570	864,996
VII. Financial Statement Expense/(Income)	2,137,268	(2,249,210)
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(300,000)	(300,000)
IX. Deferred Inflow of Resources	(5,317,869)	(7,374,862)
X. Deferred Outflow of Resources	3,796,650	5,148,775
XI. Money Weighted Rate of Return	10.69%	12.46%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.81%	4.21%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.49%	6.81%
XIV. Crossover Year	N/A	N/A
XV. Discount Rate	6.49%	6.81%

PRINCIPAL RESULTS OF THE VALUATION

Town of Medway Plan Liabilities as of the June 30, 2025 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	1,125,264	8,225,405	708,581	1,604,677	928,297	184,522	34,017	65,393	12,876,156
B. Retirees/Disabled	<u>1,473,967</u>	<u>9,145,858</u>	<u>3,624,404</u>	<u>1,045,474</u>	<u>0</u>	<u>326,953</u>	<u>40,001</u>	<u>68,074</u>	<u>15,724,731</u>
C. Total	2,599,231	17,371,263	4,332,985	2,650,151	928,297	511,475	74,018	133,467	28,600,887
II. Fiduciary Net Position [Plan Assets]	372,083	2,486,717	620,272	379,372	132,887	73,218	10,596	19,106	4,094,251
III. Net OPEB Liability (Asset) [I. - II.]	2,227,148	14,884,546	3,712,713	2,270,779	795,410	438,257	63,422	114,361	24,506,636
For the Reporting Date and Fiscal Year Ending June 30, 2025									
IV. Service Cost	62,406	258,148	41,200	72,569	44,783	7,746	2,609	2,109	491,570
V. Financial Statement Expense/(Income)	152,400	1,296,438	294,967	233,572	103,961	38,574	7,217	10,139	2,137,268
VI. Employer Share of Costs	(124,617)	(835,361)	(314,087)	(122,018)	(1,742)	(17,210)	(1,334)	(5,102)	(1,421,471)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(27,265)	(182,210)	(45,449)	(27,798)	(9,737)	(5,365)	(776)	(1,400)	(300,000)
VIII. Total Employer Contribution [VI. + VII.]	(151,882)	(1,017,571)	(359,536)	(149,816)	(11,479)	(22,575)	(2,110)	(6,502)	(1,721,471)

PRINCIPAL RESULTS OF THE VALUATION

CURRENT FUNDING POLICY (OPEN GROUP)

Funding - 6.49% discount rate

For the Fiscal Year	Period Ending on the Measurement Date of:	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with an expected 6.49% return	III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
2025	June 30, 2025	28,600,887	4,094,251	24,506,636	14.32%	491,570	1,421,471	300,000	1,721,471	1,421,471	0	300,000
2026	June 30, 2026	29,386,411	4,669,550	24,716,861	15.89%	545,923	1,471,655	300,000	1,771,655	1,471,655	0	300,000
2027	June 30, 2027	30,139,374	5,282,186	24,857,188	17.53%	560,375	1,581,631	300,000	1,881,631	1,581,631	0	300,000
2028	June 30, 2028	30,859,982	5,934,582	24,925,400	19.23%	575,024	1,688,684	300,000	1,988,684	1,688,684	0	300,000
2029	June 30, 2029	31,602,909	6,629,318	24,973,591	20.98%	591,950	1,728,252	300,000	2,028,252	1,728,252	0	300,000
2030	June 30, 2030	32,362,153	7,369,143	24,993,010	22.77%	611,720	1,782,673	300,000	2,082,673	1,782,673	0	300,000
2031	June 30, 2031	33,117,686	8,156,982	24,960,704	24.63%	628,068	1,857,751	300,000	2,157,751	1,857,751	0	300,000
2032	June 30, 2032	33,888,108	8,995,952	24,892,156	26.55%	645,023	1,903,317	300,000	2,203,317	1,903,317	0	300,000
2033	June 30, 2033	34,705,997	9,889,371	24,816,626	28.49%	661,556	1,917,529	300,000	2,217,529	1,917,529	0	300,000
2034	June 30, 2034	35,533,254	10,840,773	24,692,481	30.51%	682,716	1,941,918	300,000	2,241,918	1,941,918	0	300,000
2035	June 30, 2035	36,354,489	13,608,219	22,746,270	37.43%	701,167	2,004,602	2,000,000	4,004,602	2,004,602	0	2,000,000
2036	June 30, 2036	37,213,829	16,555,272	20,658,557	44.49%	721,627	2,040,160	2,000,000	4,040,160	2,040,160	0	2,000,000
2037	June 30, 2037	37,976,271	19,693,589	18,282,682	51.86%	743,049	2,136,468	2,000,000	4,136,468	2,136,468	0	2,000,000
2038	June 30, 2038	38,660,170	23,035,583	15,624,587	59.58%	765,217	2,238,818	2,000,000	4,238,818	2,238,818	0	2,000,000
2039	June 30, 2039	39,393,451	26,594,472	12,798,979	67.51%	787,543	2,388,744	2,000,000	4,388,744	2,388,744	0	2,000,000
2040	June 30, 2040	40,061,302	30,384,333	9,676,969	75.84%	810,978	2,533,243	2,000,000	4,533,243	2,533,243	0	2,000,000
2041	June 30, 2041	40,720,284	34,420,156	6,300,128	84.53%	836,977	2,652,760	2,000,000	4,652,760	2,652,760	0	2,000,000
2042	June 30, 2042	41,430,100	38,717,904	2,712,196	93.45%	863,450	2,748,352	2,000,000	4,748,352	2,748,352	0	2,000,000
2043	June 30, 2043	42,109,592	43,294,576	(1,184,984)	102.81%	892,186	2,830,233	2,000,000	4,830,233	2,830,233	0	2,000,000
2044	June 30, 2044	42,860,897	44,130,688	(1,269,791)	102.96%	920,035	2,832,652	(1,912,617)	920,035	2,832,652	0	(1,912,617)
2045	June 30, 2045	43,677,074	45,041,595	(1,364,521)	103.12%	948,122	2,840,843	(1,892,721)	948,122	2,840,843	0	(1,892,721)
2046	June 30, 2046	44,465,849	46,024,854	(1,559,005)	103.51%	978,498	2,858,395	(1,879,897)	978,498	2,858,395	0	(1,879,897)
2047	June 30, 2047	45,385,421	47,085,133	(1,699,712)	103.75%	1,008,434	2,875,533	(1,867,099)	1,008,434	2,875,533	0	(1,867,099)
2048	June 30, 2048	46,304,467	48,219,961	(1,915,494)	104.14%	1,041,965	2,903,505	(1,861,540)	1,041,965	2,903,505	0	(1,861,540)
2049	June 30, 2049	47,355,941	49,462,795	(2,106,854)	104.45%	1,075,189	2,903,436	(1,828,247)	1,075,189	2,903,436	0	(1,828,247)
2050	June 30, 2050	48,449,914	50,773,663	(2,323,749)	104.80%	1,112,217	2,952,700	(1,840,483)	1,112,217	2,952,700	0	(1,840,483)
2051	June 30, 2051	49,543,968	52,188,389	(2,644,421)	105.34%	1,150,271	2,972,552	(1,822,281)	1,150,271	2,972,552	0	(1,822,281)
2052	June 30, 2052	50,803,390	53,660,031	(2,856,641)	105.62%	1,188,952	3,045,053	(1,856,101)	1,188,952	3,045,053	0	(1,856,101)
2053	June 30, 2053	51,989,014	55,270,131	(3,281,117)	106.31%	1,232,316	3,046,798	(1,814,482)	1,232,316	3,046,798	0	(1,814,482)
2054	June 30, 2054	53,408,972	56,973,010	(3,564,038)	106.67%	1,275,194	3,101,029	(1,825,835)	1,275,194	3,101,029	0	(1,825,835)
2055	June 30, 2055	54,895,421	58,806,917	(3,911,496)	107.13%	1,320,011	3,125,970	(1,805,959)	1,320,011	3,125,970	0	(1,805,959)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

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

1. OPEB Expense Development

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2025	
Description	Amount
I. Service Cost	491,570
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	1,810,082
III. Deferred (Inflows)/Outflows from Plan Experience*	(972,078)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	1,149,172
V. Projected Earnings on OPEB Plan Investments	(241,679)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(99,799)
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.]	2,137,268
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	2,137,268

* Amortized over 5.00 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances for the June 30, 2024 Reporting Date	26,787,230	3,401,259	23,385,971
II. Prior Period Adjustment	0	0	0
III. Balances for the June 30, 2024 Reporting Date with Adjustment [I. + II.]	26,787,230	3,401,259	23,385,971
Changes for the year:			
IV. Service Cost	491,570	0	491,570
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,810,082	0	1,810,082
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	933,476	0	933,476
VIII. Differences Between Actual and Expected Experience **	0	0	0
IX. Net Investment Income	0	392,992	(392,992)
X. Employer Contributions to Trust	0	1,721,471	(1,721,471)
XI. Benefit Payments Withdrawn from Trust	0	(1,421,471)	1,421,471
XII. Benefit Payments Excluding Implicit Cost	(1,088,468)	0	(1,088,468)
XIII. Implicit Cost Amount	(333,003)	0	(333,003)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(1,421,471)	0	(1,421,471)
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.]	1,813,657	692,992	1,120,665
XVIII. Balances for the June 30, 2025 Reporting Date [III.+XVII.]	28,600,887	4,094,251	24,506,636

* Recognized Immediately

** Amortized over 5.00 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance	2025	2026	2027	2028	2029	2030
2017									
2018	(2,445,897)	5.00	0						
2019	0	5.00	0						
2020	(8,229,244)	5.23	0	(361,898)					
2021	0	5.23	0	0	0				
2022	2,580,242	5.39	665,406	478,709	478,709	186,697			
2023	0	5.39	0	0	0	0	0		
2024	(5,444,449)	5.00	(3,266,671)	(1,088,889)	(1,088,889)	(1,088,889)	(1,088,893)		
2025	0	5.00	0	0	0	0	0	0	
2026									
Total Remaining Balance			(2,601,265)						
Net increase (decrease) in OPEB Expense				(972,078)	(610,180)	(902,192)	(1,088,893)	0	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	2025	2026	2027	2028	2029	2030
2017									
2018	0	5.00	0						
2019	(6,619,542)	5.00	0						
2020	(1,239,039)	5.23	0	(54,494)					
2021	0	5.23	0	0	0				
2022	8,019,320	5.39	2,068,064	1,487,814	1,487,814	580,250			
2023	713,548	5.39	316,399	132,383	132,383	132,383	51,633		
2024	(3,016,134)	5.00	(1,809,682)	(603,226)	(603,226)	(603,226)	(603,230)		
2025	933,476	5.00	746,781	186,695	186,695	186,695	186,695	186,696	
2026									
Total Remaining Balance			1,321,562						
Net increase (decrease) in OPEB Expense				1,149,172	1,203,666	296,102	(364,902)	186,696	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
2017									
2018	8,901	5.00	0						
2019	(49,404)	5.00	0						
2020	25,158	5.00	0						
2021	(308,666)	5.00	0	(61,734)					
2022	320,889	5.00	64,181	64,177	64,181				
2023	(156,504)	5.00	(62,604)	(31,300)	(31,300)	(31,304)			
2024	(203,402)	5.00	(122,042)	(40,680)	(40,680)	(40,680)	(40,682)		
2025	(151,313)	5.00	(121,051)	(30,262)	(30,262)	(30,262)	(30,262)	(30,265)	
2026									
Total Remaining Balance			(241,516)						
Net increase (decrease) in OPEB Expense				(99,799)	(38,061)	(102,246)	(70,944)	(30,265)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2025 to be Reported for the Fiscal Year Ending June 30, 2025			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions Made Subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	665,406	(3,266,671)	(2,601,265)
III. Changes of Assumptions	3,131,244	(1,809,682)	1,321,562
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(241,516)	(241,516)
VI. Total [I. + II. + III. + IV.]	3,796,650	(5,317,869)	(1,521,219)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows	
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2025 will be recognized in future years as shown below.	
Year ending June 30:	
2026	555,425
2027	(708,336)
2028	(1,524,739)
2029	156,431
2030	0
Thereafter	0

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.49% as of June 30, 2025 and 6.81% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets was applied to all projected future benefits payments.

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2025 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$1,421,471. The Town also contributed \$300,000 to an OPEB Trust for a total contribution during the measurement period of \$1,721,471 to be reported on the financial statement for the fiscal year ending June 30, 2025.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	54.50%	Domestic Equity - Large Cap	4.52%
Domestic Equity - Small/Mid Cap	6.00%	Domestic Equity - Small/Mid Cap	5.06%
International Equity - Developed Market	9.75%	International Equity - Developed Market	5.08%
International Equity - Emerging Market	3.50%	International Equity - Emerging Market	5.80%
Dom Fixed	18.00%	Dom Fixed	2.44%
International Fixed Income	0.00%	International Fixed Income	2.13%
Alternatives	3.75%	Alternatives	6.09%
Real Estate	3.00%	Real Estate	3.73%
Cash	1.50%	Cash	0.00%
Total	100.00%		
		I. Real Rate of Return	4.24%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.74%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	6.49%

* Mean Geometric Returns based on 2024 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2025	1,762,395	(1,721,471)	40,924	39,404,100	4.37%
June 30, 2024	2,121,932	(1,948,929)	173,003	38,256,408	5.09%
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, 2025 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate on NOL as of the June 30, 2025 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	21,194,902	24,506,636	28,544,278

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate on NOL as of the June 30, 2025 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	28,137,580	6.49% 24,506,636	21,511,368

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2024	3,401,259	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	392,992		
IV. Ending value - June 30, 2025 [I.+II.+III.]	4,094,251		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2025 [IV.+V.]	4,094,251		
Money Weighted Rate of Return	10.69%		

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2025								Total
	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, 2025	2,599,231	17,371,263	4,332,985	2,650,151	928,297	511,475	74,018	133,467	28,600,887
II. Fiduciary Net Position as of June 30, 2025	372,083	2,486,717	620,272	379,372	132,887	73,218	10,596	19,106	4,094,251
III. Net OPEB Liability (Asset) as of June 30, 2025 [I. - II.]	2,227,148	14,884,546	3,712,713	2,270,779	795,410	438,257	63,422	114,361	24,506,636
IV. Service Cost	62,406	258,148	41,200	72,569	44,783	7,746	2,609	2,109	491,570
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	104,694	1,138,290	278,669	176,273	64,546	33,775	5,036	8,799	1,810,082
VI. Projected Earnings on OPEB Plan Investments	(21,724)	(146,947)	(36,612)	(22,432)	(7,877)	(4,329)	(628)	(1,130)	(241,679)
VII. Net Recognition of Deferred (Inflows)/Outflows	7,024	46,947	11,710	7,162	2,509	1,382	200	361	77,295
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.]	152,400	1,296,438	294,967	233,572	103,961	38,574	7,217	10,139	2,137,268
XI. Employer Share of Costs	(124,617)	(835,361)	(314,087)	(122,018)	(1,742)	(17,210)	(1,334)	(5,102)	(1,421,471)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(27,265)	(182,210)	(45,449)	(27,798)	(9,737)	(5,365)	(776)	(1,400)	(300,000)
XIII. Total Employer Contribution [XI. + XII.]	(151,882)	(1,017,571)	(359,536)	(149,816)	(11,479)	(22,575)	(2,110)	(6,502)	(1,721,471)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	518	278,867	(64,569)	83,756	92,482	15,999	5,107	3,637	415,797

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2025 Measurement Date)

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

Valuation Date	July 1, 2023
For the Measurement Period ending on the Measurement Date of:	June 30, 2025
For the Reporting Period & Fiscal Year ending on:	June 30, 2025

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(2,601,265)
II. Deferred (Inflow)/Outflow from Investment Experience	(241,516)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	1,321,562

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	5,277,133
II. Deferred Outflow created during the period	933,476
III. Deferred Outflow recognized during the period	2,349,778
IV. Change in Deferred Outflow (II. - III.)	(1,416,302)
V. Deferred Outflow at end of the period (I. + IV.)	3,860,831
VI. Deferred Inflow at the beginning of the period	(7,503,220)
VII. Deferred Inflow created during the period	(151,313)
VIII. Deferred Inflow recognized during the period	(2,272,483)
IX. Change in Deferred Inflow (VII. - VIII.)	2,121,170
X. Deferred Inflow at end of the period (VI. + IX.)	(5,382,050)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	23,385,971
II. Service Cost	491,570
III. Interest on Total OPEB Liability, Service Cost, and Payments	1,810,082
IV. Projected Investment Income	(241,679)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(1,721,471)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	338,502
IX. Deferred Outflow created during the period	933,476
X. Deferred Inflow created during the period	(151,313)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	24,506,636

Net OPEB Expense	
I. Service Cost	491,570
II. Interest on Total OPEB Liability, Service Cost, and Payments	1,810,082
III. Projected Investment Income	(241,679)
IV. Recognition of Deferred (Inflow)/Outflow	77,295
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.)	2,137,268
VIII. Benefit Payments	(1,421,471)
IX. Contributions to Trust	(300,000)
X. Total Employer Payments (VIII. + IX.)	(1,721,471)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	415,797

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2023	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
For the Reporting Period & Fiscal Year Ending on:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB Liability	28,600,887	26,787,230	37,507,482	35,464,161	24,162,701
I. Service Cost	491,570	864,996	807,738	484,577	467,429
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,810,082	2,077,019	2,025,250	1,559,150	1,513,165
III. Changes in Benefit Terms	0	(3,552,755)	0	0	0
IV. Difference Between Expected & Actual Plan Experience	0	(5,444,449)	0	2,580,242	0
V. Changes of Assumptions	933,476	(3,016,134)	713,548	8,019,320	0
VI. Benefit Payments Excluding Implicit Cost	(1,088,468)	(1,269,623)	(975,042)	(857,494)	(829,652)
VII. Implicit Cost Amount	(333,003)	(379,306)	(528,173)	(484,335)	(410,665)
VIII. Total Benefit Payments	(1,421,471)	(1,648,929)	(1,503,215)	(1,341,829)	(1,240,317)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	1,813,657	(10,720,252)	2,043,321	11,301,460	740,277
XI. Total OPEB Liability - Beginning of Period	26,787,230	37,507,482	35,464,161	24,162,701	23,422,424
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	26,787,230	37,507,482	35,464,161	24,162,701	23,422,424
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	28,600,887	26,787,230	37,507,482	35,464,161	24,162,701
Plan Fiduciary Net Position	4,094,251	3,401,259	2,727,480	2,130,625	2,005,797
XV. Earnings from Plan Investments	392,992	373,779	296,855	(175,172)	406,610
XVI. Employer Contribution to Trust	1,721,471	1,948,929	1,803,215	1,641,829	1,540,317
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,421,471)	(1,648,929)	(1,503,215)	(1,341,829)	(1,240,317)
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.]	692,992	673,779	596,855	124,828	706,610
XXI. Plan Fiduciary Net Position - Beginning of Period	3,401,259	2,727,480	2,130,625	2,005,797	1,299,187
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	3,401,259	2,727,480	2,130,625	2,005,797	1,299,187
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	4,094,251	3,401,259	2,727,480	2,130,625	2,005,797
XXV. Net OPEB Liability [XIV.-XXIV.]	24,506,636	23,385,971	34,780,002	33,333,536	22,156,904
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	14.32%	12.70%	7.27%	6.01%	8.30%
XXVII. Covered Employee Payroll	39,404,100	38,256,408	33,573,700	32,595,825	26,896,466
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	62.19%	61.13%	103.59%	102.26%	82.38%
Single Discount Rate to Calculate Plan Liabilities	6.49%	6.81%	5.53%	5.70%	6.50%

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios				
Valuation Date	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	23,422,424	32,085,294	37,189,848	40,417,485
I. Service Cost	451,964	859,147	1,131,121	1,736,589
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,518,178	1,780,917	1,275,640	1,288,949
III. Changes in Benefit Terms	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(8,229,244)	0	(4,578,261)	0
V. Changes of Assumptions	(1,239,039)	(6,619,542)	0	0
VI. Benefit Payments Excluding Implicit Cost	(774,231)	(964,184)	N/A	N/A
VII. Implicit Cost Amount	(390,498)	(160,892)	N/A	N/A
VIII. Total Benefit Payments	(1,164,729)	(1,125,076)	(1,056,137)	(1,054,410)
IX. Other	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(8,662,870)	(5,104,554)	(3,227,637)	1,971,128
XI. Total OPEB Liability - Beginning of Period	32,085,294	37,189,848	40,417,485	38,446,357
XII. Prior Period Adjustment	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	32,085,294	37,189,848	40,417,485	38,446,357
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	23,422,424	32,085,294	37,189,848	40,417,485
Plan Fiduciary Net Position	1,299,187	949,321	554,752	452,004
XV. Earnings from Plan Investments	49,866	94,569	2,748	740
XVI. Employer Contribution to Trust	1,464,729	1,425,076	1,156,137	1,154,410
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,164,729)	(1,125,076)	(1,056,137)	(1,054,410)
XVIII. Administrative Expense	0	0	0	0
XIX. Other	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	349,866	394,569	102,748	100,740
XXI. Plan Fiduciary Net Position - Beginning of Period	949,321	554,752	452,004	351,264
XXII. Prior Period Adjustment	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	949,321	554,752	452,004	351,264
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	1,299,187	949,321	554,752	452,004
XXV. Net OPEB Liability [XIV.-XXIV.]	22,123,237	31,135,973	36,635,096	39,965,481
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	5.55%	2.96%	1.49%	1.12%
XXVII. Covered Employee Payroll	26,113,074	21,905,476	21,267,452	19,593,907
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	N/A	142.14%	172.26%	203.97%
Single Discount Rate to Calculate Plan Liabilities	6.50%	4.75%	3.50%	3.25%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY 2025 and future years we have used a 30-year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)					
For the Fiscal Year Ending:	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
I. Service Cost	491,570	864,996	807,738	484,577	467,429
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>1,270,825</u>	<u>1,256,936</u>	<u>1,612,435</u>	<u>1,577,137</u>	<u>1,150,276</u>
III. Actuarial Determined Contribution [I. + II.]	1,762,395	2,121,932	2,420,173	2,061,714	1,617,705
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(1,721,471)</u>	<u>(1,948,929)</u>	<u>(1,803,215)</u>	<u>(1,641,829)</u>	<u>(1,540,317)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>40,924</u>	<u>173,003</u>	<u>616,958</u>	<u>419,885</u>	<u>77,388</u>
Covered Employee Payroll	39,404,100	38,256,408	33,573,700	32,595,825	26,896,466
Contributions as a % of Covered Employee Payroll	4.37%	5.09%	5.37%	5.04%	5.73%
Discount Rate	6.49%	6.81%	5.53%	5.70%	6.50%
Money Weighted Rate of Return	10.69%	12.46%	12.35%	(7.68%)	25.87%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Actuarially Determined Contribution - Deficiency / (Excess) (Continued)				
<u>For the Fiscal Year Ending:</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	451,964	859,147	1,131,121	1,736,589
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>1,590,743</u>	<u>1,878,843</u>	<u>2,099,494</u>	<u>1,948,846</u>
III. Actuarial Determined Contribution [I. + II.]	2,042,707	2,737,990	3,230,615	3,685,435
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(1,464,729)</u>	<u>(1,425,076)</u>	<u>(1,156,137)</u>	<u>(1,254,410)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>577,978</u>	<u>1,312,914</u>	<u>2,074,478</u>	<u>2,431,025</u>
Covered Employee Payroll	26,113,074	21,905,476	21,267,452	19,593,907
Contributions as a % of Covered Employee Payroll	5.61%	6.51%	5.44%	6.40%
Discount Rate	6.50%	4.75%	3.50%	3.25%
Money Weighted Rate of Return	4.07%	11.41%	0.55%	0.00%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Actuarially Determined Contribution – by Function:

	Fiscal Year Ending June 30, 2025								
	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. Service Cost	62,406	258,148	41,200	72,569	44,783	7,746	2,609	2,109	491,570
II. 30 Year Amortization of NOL Increasing by 3.00% per year	115,493	771,858	192,528	117,754	41,247	22,726	3,289	5,930	1,270,825
III. Actuarial Determined Contribution [I. + II.]	177,899	1,030,006	233,728	190,323	86,030	30,472	5,898	8,039	1,762,395
IV. Employer Share of Costs (Including Implicit Cost)	(124,617)	(835,361)	(314,087)	(122,018)	(1,742)	(17,210)	(1,334)	(5,102)	(1,421,471)
V. Employer OPEB Trust (Contribution)/Withdrawal	(27,265)	(182,210)	(45,449)	(27,798)	(9,737)	(5,365)	(776)	(1,400)	(300,000)
VI. Total Employer Contribution [IV. + V.]	(151,882)	(1,017,571)	(359,536)	(149,816)	(11,479)	(22,575)	(2,110)	(6,502)	(1,721,471)
VII. Contribution Deficiency / (Excess) [III. + VI.]	26,017	12,435	(125,808)	40,507	74,551	7,897	3,788	1,537	40,924

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2023.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return:	6.49%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	6.49%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2025 and for future periods
Salary Increases:	3.00% annually as of June 30, 2025 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Pre-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Plan Membership

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

Retirees & Beneficiaries:	361
Actives:	<u>279</u>
Total:	640

Events Subsequent to the Measurement Date

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

Changes in Assumptions: From June 30, 2024 to June 30, 2025

- ✓ Due to the GASB 75 standards the discount rate has been changed from 6.81% to 6.49%.

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, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$1,421,471. \$333,003 of the \$1,421,471 represents implicit cost.

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Census Data Manipulation:

In the absence of data, the following was assumed:

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

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2025	39,404,100	0	39,404,100	0	1,421,471	0	1,421,471
June 30, 2026	37,119,547	3,466,676	40,586,223	0	1,471,655	0	1,471,655
June 30, 2027	35,320,479	6,483,331	41,803,810	0	1,581,631	0	1,581,631
June 30, 2028	33,694,489	9,363,435	43,057,924	0	1,688,684	0	1,688,684
June 30, 2029	32,182,585	12,167,077	44,349,662	0	1,728,252	0	1,728,252
June 30, 2030	30,711,841	14,968,311	45,680,152	0	1,782,673	0	1,782,673
June 30, 2031	29,432,265	17,618,292	47,050,557	0	1,857,751	0	1,857,751
June 30, 2032	28,105,589	20,356,485	48,462,074	0	1,903,317	0	1,903,317
June 30, 2033	26,765,578	23,150,358	49,915,936	0	1,917,529	0	1,917,529
June 30, 2034	25,317,791	26,095,623	51,413,414	0	1,941,918	0	1,941,918
June 30, 2035	24,097,478	28,858,338	52,955,816	0	1,997,995	6,607	2,004,602
June 30, 2036	22,970,049	31,574,441	54,544,490	0	2,022,335	17,825	2,040,160
June 30, 2037	21,866,363	34,314,462	56,180,825	0	2,103,132	33,336	2,136,468
June 30, 2038	20,803,709	37,062,541	57,866,250	0	2,182,637	56,181	2,238,818
June 30, 2039	19,828,500	39,773,738	59,602,238	0	2,303,282	85,462	2,388,744
June 30, 2040	18,945,120	42,445,185	61,390,305	0	2,430,945	102,298	2,533,243
June 30, 2041	18,032,016	45,199,998	63,232,014	0	2,529,591	123,169	2,652,760
June 30, 2042	17,203,459	47,925,515	65,128,974	0	2,599,849	148,503	2,748,352
June 30, 2043	16,393,590	50,689,253	67,082,843	0	2,665,082	165,151	2,830,233
June 30, 2044	15,650,723	53,444,605	69,095,328	0	2,648,669	183,983	2,832,652
June 30, 2045	14,866,367	56,301,821	71,168,188	0	2,624,762	216,081	2,840,843
June 30, 2046	14,063,837	59,239,397	73,303,234	0	2,597,837	260,558	2,858,395
June 30, 2047	13,222,588	62,279,743	75,502,331	0	2,561,082	314,451	2,875,533
June 30, 2048	12,318,164	65,449,237	77,767,401	0	2,519,054	384,451	2,903,505
June 30, 2049	11,536,950	68,563,473	80,100,423	0	2,435,524	467,912	2,903,436
June 30, 2050	10,692,131	71,811,305	82,503,436	0	2,425,273	527,427	2,952,700
June 30, 2051	9,893,656	75,084,883	84,978,539	0	2,376,342	596,210	2,972,552
June 30, 2052	9,115,753	78,412,142	87,527,895	0	2,370,400	674,653	3,045,053
June 30, 2053	8,290,451	81,863,281	90,153,732	0	2,311,153	735,645	3,046,798
June 30, 2054	7,550,411	85,307,933	92,858,344	0	2,299,443	801,586	3,101,029
June 30, 2055	6,798,649	88,845,445	95,644,094	0	2,241,601	884,369	3,125,970
June 30, 2056	6,122,997	92,390,420	98,513,417	0	2,236,681	978,250	3,214,931
June 30, 2057	5,458,153	96,010,667	101,468,820	0	2,211,004	1,079,819	3,290,823
June 30, 2058	4,854,971	99,657,914	104,512,885	0	2,167,636	1,194,701	3,362,337
June 30, 2059	4,175,950	103,472,322	107,648,272	0	2,058,002	1,319,839	3,377,841
June 30, 2060	3,598,223	107,279,497	110,877,720	0	2,032,388	1,433,671	3,466,059
June 30, 2061	2,952,124	111,251,928	114,204,052	0	1,932,259	1,553,848	3,486,107
June 30, 2062	2,411,046	115,219,128	117,630,174	0	1,842,023	1,681,859	3,523,882
June 30, 2063	1,881,888	119,277,191	121,159,079	0	1,744,137	1,807,887	3,552,024
June 30, 2064	1,497,284	123,296,567	124,793,851	0	1,715,111	1,940,235	3,655,346

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2065	1,041,225	127,496,442	128,537,667	0	1,674,108	2,090,050	3,764,158
June 30, 2066	797,262	131,596,535	132,393,797	0	1,633,507	2,250,612	3,884,119
June 30, 2067	505,972	135,859,639	136,365,611	0	1,593,353	2,424,707	4,018,060
June 30, 2068	369,014	140,087,565	140,456,579	0	1,564,119	2,614,054	4,178,173
June 30, 2069	126,079	144,544,197	144,670,276	0	1,547,421	2,816,684	4,364,105
June 30, 2070	81,192	148,929,192	149,010,384	0	1,492,225	3,017,074	4,509,299
June 30, 2071	35,806	153,444,890	153,480,696	0	1,459,301	3,226,237	4,685,538
June 30, 2072	29,168	158,055,949	158,085,117	0	1,421,006	3,447,168	4,868,174
June 30, 2073	0	162,827,671	162,827,671	0	1,385,512	3,662,276	5,047,788
June 30, 2074	0	167,712,501	167,712,501	0	1,342,733	3,884,848	5,227,581
June 30, 2075	0	172,743,876	172,743,876	0	1,291,264	4,119,077	5,410,341
June 30, 2076	0	177,926,192	177,926,192	0	1,237,645	4,359,109	5,596,754
June 30, 2077	0	183,263,978	183,263,978	0	1,180,963	4,608,612	5,789,575
June 30, 2078	0	188,761,897	188,761,897	0	1,124,706	4,864,430	5,989,136
June 30, 2079	0	194,424,754	194,424,754	0	1,064,999	5,128,834	6,193,833
June 30, 2080	0	200,257,497	200,257,497	0	998,302	5,407,114	6,405,416
June 30, 2081	0	206,265,222	206,265,222	0	935,040	5,691,328	6,626,368
June 30, 2082	0	212,453,179	212,453,179	0	869,526	5,983,915	6,853,441
June 30, 2083	0	218,826,774	218,826,774	0	806,311	6,287,612	7,093,923
June 30, 2084	0	225,391,577	225,391,577	0	737,331	6,597,805	7,335,136
June 30, 2085	0	232,153,324	232,153,324	0	671,675	6,919,325	7,591,000
June 30, 2086	0	239,117,924	239,117,924	0	606,893	7,248,915	7,855,808
June 30, 2087	0	246,291,462	246,291,462	0	544,649	7,589,194	8,133,843
June 30, 2088	0	253,680,206	253,680,206	0	484,889	7,940,636	8,425,525
June 30, 2089	0	261,290,612	261,290,612	0	427,523	8,304,037	8,731,560
June 30, 2090	0	269,129,330	269,129,330	0	375,396	8,681,766	9,057,162
June 30, 2091	0	277,203,210	277,203,210	0	325,587	9,070,299	9,395,886
June 30, 2092	0	285,519,306	285,519,306	0	279,720	9,471,418	9,751,138
June 30, 2093	0	294,084,885	294,084,885	0	237,885	9,887,550	10,125,435
June 30, 2094	0	302,907,432	302,907,432	0	200,080	10,314,306	10,514,386
June 30, 2095	0	311,994,655	311,994,655	0	166,327	10,755,596	10,921,923
June 30, 2096	0	321,354,495	321,354,495	0	136,547	11,211,092	11,347,639
June 30, 2097	0	330,995,130	330,995,130	0	110,629	11,681,346	11,791,975
June 30, 2098	0	340,924,984	340,924,984	0	88,381	12,166,973	12,255,354
June 30, 2099	0	351,152,734	351,152,734	0	69,587	12,669,736	12,739,323

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2025	3,401,259	1,421,471	300,000	1,721,471	0	1,421,471	1,421,471	392,992	4,094,251
June 30, 2026	4,094,251	1,471,655	274,375	1,746,030	0	1,471,655	1,471,655	251,784	4,620,410
June 30, 2027	4,620,410	1,581,631	253,473	1,835,104	0	1,581,631	1,581,631	307,961	5,181,844
June 30, 2028	5,181,844	1,688,684	234,762	1,923,446	0	1,688,684	1,688,684	343,800	5,760,406
June 30, 2029	5,760,406	1,728,252	217,697	1,945,949	0	1,728,252	1,728,252	380,804	6,358,907
June 30, 2030	6,358,907	1,782,673	201,697	1,984,370	0	1,782,673	1,782,673	419,135	6,979,739
June 30, 2031	6,979,739	1,857,751	187,664	2,045,415	0	1,857,751	1,857,751	458,979	7,626,382
June 30, 2032	7,626,382	1,903,317	173,985	2,077,302	0	1,903,317	1,903,317	500,509	8,300,876
June 30, 2033	8,300,876	1,917,529	160,864	2,078,393	0	1,917,529	1,917,529	543,865	9,005,605
June 30, 2034	9,005,605	1,941,918	147,731	2,089,649	0	1,941,918	1,941,918	589,182	9,742,518
June 30, 2035	9,742,518	1,997,995	910,098	2,908,093	0	2,004,602	2,004,602	661,358	11,307,367
June 30, 2036	11,307,367	2,022,335	842,250	2,864,585	0	2,040,160	2,040,160	760,750	12,892,542
June 30, 2037	12,892,542	2,103,132	778,428	2,881,560	0	2,136,468	2,136,468	861,589	14,499,223
June 30, 2038	14,499,223	2,182,637	719,027	2,901,664	0	2,238,818	2,238,818	963,965	16,126,034
June 30, 2039	16,126,034	2,303,282	665,361	2,968,643	0	2,388,744	2,388,744	1,067,831	17,773,764
June 30, 2040	17,773,764	2,430,945	617,202	3,048,147	0	2,533,243	2,533,243	1,173,231	19,461,899
June 30, 2041	19,461,899	2,529,591	570,345	3,099,936	0	2,652,760	2,652,760	1,281,294	21,190,369
June 30, 2042	21,190,369	2,599,849	528,289	3,128,138	0	2,748,352	2,748,352	1,392,128	22,962,283
June 30, 2043	22,962,283	2,665,082	488,757	3,153,839	0	2,830,233	2,830,233	1,505,863	24,791,752
June 30, 2044	24,791,752	2,648,669	453,018	3,101,687	0	2,832,652	2,832,652	1,623,454	26,684,241
June 30, 2045	26,684,241	2,624,762	417,781	3,042,543	0	2,840,843	2,840,843	1,745,151	28,631,092
June 30, 2046	28,631,092	2,597,837	383,717	2,981,554	0	2,858,395	2,858,395	1,870,414	30,624,665
June 30, 2047	30,624,665	2,561,082	350,256	2,911,338	0	2,875,533	2,875,533	1,998,728	32,659,198
June 30, 2048	32,659,198	2,519,054	316,795	2,835,849	0	2,903,505	2,903,505	2,129,700	34,721,242
June 30, 2049	34,721,242	2,435,524	288,062	2,723,586	0	2,903,436	2,903,436	2,262,609	36,804,001
June 30, 2050	36,804,001	2,425,273	259,192	2,684,465	0	2,952,700	2,952,700	2,396,858	38,932,624
June 30, 2051	38,932,624	2,376,342	232,851	2,609,193	0	2,972,552	2,972,552	2,534,165	41,103,430
June 30, 2052	41,103,430	2,370,400	208,294	2,578,694	0	3,045,053	3,045,053	2,674,266	43,311,337
June 30, 2053	43,311,337	2,311,153	183,918	2,495,071	0	3,046,798	3,046,798	2,816,780	45,576,390
June 30, 2054	45,576,390	2,299,443	162,622	2,462,065	0	3,101,029	3,101,029	2,963,102	47,900,528
June 30, 2055	47,900,528	2,241,601	142,166	2,383,767	0	3,125,970	3,125,970	3,113,285	50,271,610
June 30, 2056	50,271,610	2,236,681	124,308	2,360,989	0	3,214,931	3,214,931	3,266,598	52,684,266
June 30, 2057	52,684,266	2,211,004	107,583	2,318,587	0	3,290,823	3,290,823	3,422,645	55,134,675
June 30, 2058	55,134,675	2,167,636	92,907	2,260,543	0	3,362,337	3,362,337	3,581,208	57,614,089
June 30, 2059	57,614,089	2,058,002	77,585	2,135,587	0	3,377,841	3,377,841	3,741,632	60,113,467
June 30, 2060	60,113,467	2,032,388	64,904	2,097,292	0	3,466,059	3,466,059	3,903,437	62,648,137
June 30, 2061	62,648,137	1,932,259	51,699	1,983,958	0	3,486,107	3,486,107	4,067,515	65,213,503
June 30, 2062	65,213,503	1,842,023	40,994	1,883,017	0	3,523,882	3,523,882	4,233,666	67,806,304
June 30, 2063	67,806,304	1,744,137	31,065	1,775,202	0	3,552,024	3,552,024	4,401,621	70,431,103
June 30, 2064	70,431,103	1,715,111	23,996	1,739,107	0	3,655,346	3,655,346	4,571,745	73,086,609

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	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, 2065	73,086,609	1,674,108	16,201	1,690,309	0	3,764,158	3,764,158	4,743,838	75,756,598
June 30, 2066	75,756,598	1,633,507	12,044	1,645,551	0	3,884,119	3,884,119	4,916,988	78,435,018
June 30, 2067	78,435,018	1,593,353	7,421	1,600,774	0	4,018,060	4,018,060	5,090,670	81,108,402
June 30, 2068	81,108,402	1,564,119	5,254	1,569,373	0	4,178,173	4,178,173	5,264,103	83,763,705
June 30, 2069	83,763,705	1,547,421	1,743	1,549,164	0	4,364,105	4,364,105	5,436,320	86,385,084
June 30, 2070	86,385,084	1,492,225	1,090	1,493,315	0	4,509,299	4,509,299	5,606,427	88,975,527
June 30, 2071	88,975,527	1,459,301	467	1,459,768	0	4,685,538	4,685,538	5,774,527	91,524,284
June 30, 2072	91,524,284	1,421,006	369	1,421,375	0	4,868,174	4,868,174	5,939,938	94,017,423
June 30, 2073	94,017,423	1,385,512	0	1,385,512	0	5,047,788	5,047,788	6,101,731	96,456,878
June 30, 2074	96,456,878	1,342,733	0	1,342,733	0	5,227,581	5,227,581	6,260,051	98,832,081
June 30, 2075	98,832,081	1,291,264	0	1,291,264	0	5,410,341	5,410,341	6,414,202	101,127,206
June 30, 2076	101,127,206	1,237,645	0	1,237,645	0	5,596,754	5,596,754	6,563,156	103,331,253
June 30, 2077	103,331,253	1,180,963	0	1,180,963	0	5,789,575	5,789,575	6,706,198	105,428,839
June 30, 2078	105,428,839	1,124,706	0	1,124,706	0	5,989,136	5,989,136	6,842,332	107,406,741
June 30, 2079	107,406,741	1,064,999	0	1,064,999	0	6,193,833	6,193,833	6,970,697	109,248,604
June 30, 2080	109,248,604	998,302	0	998,302	0	6,405,416	6,405,416	7,090,234	110,931,724
June 30, 2081	110,931,724	935,040	0	935,040	0	6,626,368	6,626,368	7,199,469	112,439,865
June 30, 2082	112,439,865	869,526	0	869,526	0	6,853,441	6,853,441	7,297,347	113,753,297
June 30, 2083	113,753,297	806,311	0	806,311	0	7,093,923	7,093,923	7,382,589	114,848,274
June 30, 2084	114,848,274	737,331	0	737,331	0	7,335,136	7,335,136	7,453,653	115,704,122
June 30, 2085	115,704,122	671,675	0	671,675	0	7,591,000	7,591,000	7,509,198	116,293,995
June 30, 2086	116,293,995	606,893	0	606,893	0	7,855,808	7,855,808	7,547,480	116,592,560
June 30, 2087	116,592,560	544,649	0	544,649	0	8,133,843	8,133,843	7,566,857	116,570,223
June 30, 2088	116,570,223	484,889	0	484,889	0	8,425,525	8,425,525	7,565,407	116,194,994
June 30, 2089	116,194,994	427,523	0	427,523	0	8,731,560	8,731,560	7,541,055	115,432,012
June 30, 2090	115,432,012	375,396	0	375,396	0	9,057,162	9,057,162	7,491,538	114,241,784
June 30, 2091	114,241,784	325,587	0	325,587	0	9,395,886	9,395,886	7,414,292	112,585,777
June 30, 2092	112,585,777	279,720	0	279,720	0	9,751,138	9,751,138	7,306,817	110,421,176
June 30, 2093	110,421,176	237,885	0	237,885	0	10,125,435	10,125,435	7,166,334	107,699,960
June 30, 2094	107,699,960	200,080	0	200,080	0	10,514,386	10,514,386	6,989,727	104,375,381
June 30, 2095	104,375,381	166,327	0	166,327	0	10,921,923	10,921,923	6,773,962	100,393,747
June 30, 2096	100,393,747	136,547	0	136,547	0	11,347,639	11,347,639	6,515,554	95,698,209
June 30, 2097	95,698,209	110,629	0	110,629	0	11,791,975	11,791,975	6,210,814	90,227,677
June 30, 2098	90,227,677	88,381	0	88,381	0	12,255,354	12,255,354	5,855,776	83,916,480
June 30, 2099	83,916,480	69,587	0	69,587	0	12,739,323	12,739,323	5,446,180	76,692,924

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.49%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.81%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.49%]	
June 30, 2025	3,401,259	1,421,471	1,421,471	0	1,421,471	0	1,421,471	Sum of Column V.
June 30, 2026	4,094,251	1,471,655	1,471,655	0	1,381,965	0	1,381,965	31,561,754
June 30, 2027	4,620,410	1,581,631	1,581,631	0	1,394,722	0	1,394,722	
June 30, 2028	5,181,844	1,688,684	1,688,684	0	1,398,369	0	1,398,369	Sum of Column VI.
June 30, 2029	5,760,406	1,728,252	1,728,252	0	1,343,915	0	1,343,915	0
June 30, 2030	6,358,907	1,782,673	1,782,673	0	1,301,750	0	1,301,750	
June 30, 2031	6,979,739	1,857,751	1,857,751	0	1,273,898	0	1,273,898	Sum of Column VII.
June 30, 2032	7,626,382	1,903,317	1,903,317	0	1,225,602	0	1,225,602	[V. + VI.]
June 30, 2033	8,300,876	1,917,529	1,917,529	0	1,159,502	0	1,159,502	31,561,754
June 30, 2034	9,005,605	1,941,918	1,941,918	0	1,102,685	0	1,102,685	
June 30, 2035	9,742,518	1,997,995	1,997,995	0	1,065,384	0	1,065,384	
June 30, 2036	11,307,367	2,022,335	2,022,335	0	1,012,642	0	1,012,642	
June 30, 2037	12,892,542	2,103,132	2,103,132	0	988,919	0	988,919	
June 30, 2038	14,499,223	2,182,637	2,182,637	0	963,755	0	963,755	
June 30, 2039	16,126,034	2,303,282	2,303,282	0	955,044	0	955,044	
June 30, 2040	17,773,764	2,430,945	2,430,945	0	946,548	0	946,548	
June 30, 2041	19,461,899	2,529,591	2,529,591	0	924,930	0	924,930	
June 30, 2042	21,190,369	2,599,849	2,599,849	0	892,685	0	892,685	
June 30, 2043	22,962,283	2,665,082	2,665,082	0	859,314	0	859,314	
June 30, 2044	24,791,752	2,648,669	2,648,669	0	801,973	0	801,973	
June 30, 2045	26,684,241	2,624,762	2,624,762	0	746,300	0	746,300	
June 30, 2046	28,631,092	2,597,837	2,597,837	0	693,628	0	693,628	
June 30, 2047	30,624,665	2,561,082	2,561,082	0	642,139	0	642,139	
June 30, 2048	32,659,198	2,519,054	2,519,054	0	593,109	0	593,109	
June 30, 2049	34,721,242	2,435,524	2,435,524	0	538,494	0	538,494	
June 30, 2050	36,804,001	2,425,273	2,425,273	0	503,547	0	503,547	
June 30, 2051	38,932,624	2,376,342	2,376,342	0	463,318	0	463,318	
June 30, 2052	41,103,430	2,370,400	2,370,400	0	433,994	0	433,994	
June 30, 2053	43,311,337	2,311,153	2,311,153	0	397,358	0	397,358	
June 30, 2054	45,576,390	2,299,443	2,299,443	0	371,250	0	371,250	
June 30, 2055	47,900,528	2,241,601	2,241,601	0	339,855	0	339,855	
June 30, 2056	50,271,610	2,236,681	2,236,681	0	318,442	0	318,442	
June 30, 2057	52,684,266	2,211,004	2,211,004	0	295,602	0	295,602	
June 30, 2058	55,134,675	2,167,636	2,167,636	0	272,142	0	272,142	
June 30, 2059	57,614,089	2,058,002	2,058,002	0	242,631	0	242,631	
June 30, 2060	60,113,467	2,032,388	2,032,388	0	225,008	0	225,008	
June 30, 2061	62,648,137	1,932,259	1,932,259	0	200,885	0	200,885	
June 30, 2062	65,213,503	1,842,023	1,842,023	0	179,833	0	179,833	
June 30, 2063	67,806,304	1,744,137	1,744,137	0	159,899	0	159,899	
June 30, 2064	70,431,103	1,715,111	1,715,111	0	147,655	0	147,655	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

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

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.49%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.81%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.49%]
June 30, 2065	73,086,609	1,674,108	1,674,108	0	135,341	0	135,341
June 30, 2066	75,756,598	1,633,507	1,633,507	0	124,011	0	124,011
June 30, 2067	78,435,018	1,593,353	1,593,353	0	113,590	0	113,590
June 30, 2068	81,108,402	1,564,119	1,564,119	0	104,710	0	104,710
June 30, 2069	83,763,705	1,547,421	1,547,421	0	97,279	0	97,279
June 30, 2070	86,385,084	1,492,225	1,492,225	0	88,092	0	88,092
June 30, 2071	88,975,527	1,459,301	1,459,301	0	80,898	0	80,898
June 30, 2072	91,524,284	1,421,006	1,421,006	0	73,974	0	73,974
June 30, 2073	94,017,423	1,385,512	1,385,512	0	67,731	0	67,731
June 30, 2074	96,456,878	1,342,733	1,342,733	0	61,639	0	61,639
June 30, 2075	98,832,081	1,291,264	1,291,264	0	55,664	0	55,664
June 30, 2076	101,127,206	1,237,645	1,237,645	0	50,101	0	50,101
June 30, 2077	103,331,253	1,180,963	1,180,963	0	44,893	0	44,893
June 30, 2078	105,428,839	1,124,706	1,124,706	0	40,149	0	40,149
June 30, 2079	107,406,741	1,064,999	1,064,999	0	35,700	0	35,700
June 30, 2080	109,248,604	998,302	998,302	0	31,425	0	31,425
June 30, 2081	110,931,724	935,040	935,040	0	27,640	0	27,640
June 30, 2082	112,439,865	869,526	869,526	0	24,137	0	24,137
June 30, 2083	113,753,297	806,311	806,311	0	21,018	0	21,018
June 30, 2084	114,848,274	737,331	737,331	0	18,049	0	18,049
June 30, 2085	115,704,122	671,675	671,675	0	15,439	0	15,439
June 30, 2086	116,293,995	606,893	606,893	0	13,100	0	13,100
June 30, 2087	116,592,560	544,649	544,649	0	11,040	0	11,040
June 30, 2088	116,570,223	484,889	484,889	0	9,230	0	9,230
June 30, 2089	116,194,994	427,523	427,523	0	7,642	0	7,642
June 30, 2090	115,432,012	375,396	375,396	0	6,301	0	6,301
June 30, 2091	114,241,784	325,587	325,587	0	5,132	0	5,132
June 30, 2092	112,585,777	279,720	279,720	0	4,140	0	4,140
June 30, 2093	110,421,176	237,885	237,885	0	3,306	0	3,306
June 30, 2094	107,699,960	200,080	200,080	0	2,612	0	2,612
June 30, 2095	104,375,381	166,327	166,327	0	2,039	0	2,039
June 30, 2096	100,393,747	136,547	136,547	0	1,572	0	1,572
June 30, 2097	95,698,209	110,629	110,629	0	1,196	0	1,196
June 30, 2098	90,227,677	88,381	88,381	0	897	0	897
June 30, 2099	83,916,480	69,587	69,587	0	663	0	663

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: effective January 1, 2024 Active Plans: effective July 1, 2024 Dental Plans: effective July 1, 2024
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical, Dental and \$2,000 of Group Term Life Insurance.
<u>Medicare Part A</u>	To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.
<u>Medicare Part B</u>	Medicare Part B Premium reimbursements by the Town were not reflected in this valuation. Medicare Part B Penalty reimbursements by the Town were not reflected in this valuation.
<u>Surviving Spouse Coverage</u>	Spousal benefits do not change after the death of a plan participant.

APPENDIX II – PLAN PROVISIONS

Eligibility

Hire Date	Eligibility
Before April 2, 2012	• Age 55 with 10 years of creditable service • 20 years of service regardless of age
On or after April 2, 2012	• 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

<u>Pre-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021
<u>Post-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Disabled Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Assumption Experience Study</u>	The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.
<u>Discount Rate</u>	6.49% per annum (previously 6.81%)
<u>Net Long Term Rate of Return</u>	6.49% (based on investment policy)
<u>Municipal Bond Rate</u>	4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
<u>Actuarial Cost Method</u>	Individual Entry Age Normal
<u>Asset-Valuation Method</u>	Market Value of Assets as of the Measurement Date, June 30, 2025

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

Non-Public Safety Employees

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

Public Safety Employees

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Retirement Rates for Eligible Employees

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

Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

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

Medical & Dental 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, 2025</u>	<u>June 30, 2024</u>
I. Total OPEB Liability	28,600,887	26,787,230
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>20,744,721</u>	<u>19,429,671</u>
III. Liability from Implicit Subsidy [I. - II.]	7,856,166	7,357,559

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2025</u>	<u>June 30, 2024</u>
IV. Employer Payments (Including Implicit Subsidy)	1,421,471	1,648,929
V. Actual Employer Payments	<u>1,088,468</u>	<u>1,269,623</u>
VI. Implicit Subsidy [IV. - V.]	333,003	379,306

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	4,992	3,146	44 & Under	9,812	6,429	65 to 69	2,463	2,529
25 to 29	7,364	3,274	45 to 49	10,777	8,117	70 to 74	2,905	3,031
30 to 34	9,306	4,110	50 to 54	12,678	10,691	75 to 79	3,371	3,579
35 to 39	9,587	5,161	55 to 59	14,656	13,900	80 to 84	3,866	4,113
40 to 44	9,812	6,429	60 to 64	17,441	17,837	85 to 89	4,322	4,582
45 to 49	10,777	8,117	65 to 69	20,907	22,248	90 & Over	4,322	4,582
50 to 54	12,678	10,691	70 to 74	24,654	26,662			
55 to 59	14,656	13,900	75 to 79	28,633	31,489			
60 to 64	17,441	17,837	80 to 84	32,829	36,194			
65 to 69	20,907	22,248	85 to 89	37,473	41,430			
70 & Over	24,654	26,662	90 & Over	37,473	41,430			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Open Group Forecast

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

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

Additional Comments

The liabilities being reported as of the Measurement Date of June 30, 2025 reflect a closed group and do not reflect any new entrants after the valuation date.

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

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2023
A. Average Age at Hire	35.49
B. Average Service	<u>10.23</u>
C. Average Current Age	45.72

Retired Employees & Spouses

Valuation Date	July 1, 2023
A. Under Age 65	55
B. Age 65 & Over	<u>306</u>
C. Total	361

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	4									4
25-29	21	2								23
30-34	19	9	6							34
35-39	14	9	7	1						31
40-44	12	12	2	14	6					46
45-49	12	8	2	5	4					31
50-54	5	7	9	6	5	7	1			40
55-59	6	7	6	12	4	2		1		38
60-64	8	1	2	7	4					22
65-69		2	1		2	1		1		7
70+				3						3
Total	101	57	35	48	25	10	1	2		279

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

Number of Contracts

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HMO	96	48	127	271
Medicare	<u>129</u>	<u>90</u>		<u>219</u>
Total	225	138	127	490

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HMO	986.86	1,992.46	2,886.56
Medicare	286.24	572.48	
Dental Plan	48.69		141.05

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
HMO	96	48	127	446	6,683,637.12	5,281,674.72
Total	96	48	127	446	6,683,637.12	5,281,674.72
Blended Average Monthly Rate:						\$ 986.86

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Medicare	129	90		309	1,061,377.92	1,061,377.92
Total	129	90	0	309	1,061,377.92	1,061,377.92
Blended Average Monthly Rate:						\$ 286.24

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 August 15, 2025 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, 2025.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

APPENDIX VI – ASOP 41 DISCLOSURES

Events Subsequent to the Measurement Date

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

Actuarial Findings

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

Methods, Procedures, Assumptions, and Data

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

Assumptions or Methods Prescribed by Law

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

Responsibility for Assumptions and Methods

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

Deviation from the Guidance of an ASOP

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

Rounding

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

GLOSSARY

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

OPEB Trust – An entity which holds assets for the sole purpose of funding OPEB. All contributions and 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.



Town of Medway, MA

February 2, 2026

PRESENTER

Parker Elmore, President, Actuary, & CEO



INTRODUCTION

About Us

**Founded over 25 years ago,
in 1998**

With nearly 500 municipal entities served and over 300 of those in Massachusetts, our team brings in decades of experience in both pension and OPEB consulting

**Efficient, personalized, &
accessible service**

We have a home office in Connecticut – with clients in 37 states, Europe, South America, Asia & Australia. And we work with various auditors across the U.S.

INTRODUCTION

Our Team



**Parker Elmore – CEO, President
& Actuary**



**Francis Fraine – Actuarial
Consultant**



**Samantha Schneider – Actuarial
Consultant**



**Andrew Taggart – Consulting
Actuary**



**Kurtis Thompson – Consulting
Actuary**



**Luke Matchett – Consulting
Actuary**



Caleb White – Actuarial Analyst



**Stephanie Irvin – Digital
Marketing Manager**



Kirby Prigoni – Marketing Analyst

Why Do We Need an OPEB Report?

OPEB accrual accounting vs. pay-as-you-go accounting

Accrual accounting answers the questions:

- What is the value of benefits accrued to date?
- What is the value of benefits accrued this year?
- What is the value of the benefits paid out this year?

GASB 75 standardized methods

GASB 75 Results

Measurement Date	06/30/2025	06/30/2024
Reporting Date	06/30/2025	06/30/2024
Total OPEB Liability (TOL): The value of the benefits that have been earned by active and retired employees	28,600,887	26,787,230
Fiduciary Net Position: (i.e. assets)	4,094,251	3,401,259
Net OPEB Liability (NOL): The TOL minus the assets	24,506,636	23,385,971
Funded Ratio	14.32%	12.70%
Discount Rate	6.49%	6.81%

GASB 75 Results

	FY 2025	FY 2024
Service Cost: The value of the benefits that eligible employees accrue each year	491,570	864,996
Financial Statement Expense	2,137,268	(2,249,210)
Employer Share of Cost: The employer's portion of the premiums each year including implicit cost	1,421,471	1,648,929
Trust Contributions	300,000	300,000
Net OPEB Expense: The expense (on an accrual basis) that is recognized annually on the financial statement	415,797	(4,198,139)
Discount Rate	6.49%	6.81%

GASB 75 Results

Positive Drivers of Plan Experience

- None

Negative Drivers of Plan Experience

- Discount Rates
Decreased
 - Increasing liabilities
by \$900k

Actuarial Assumptions

DISCOUNT RATE

The interest rate used to calculate the present value of future cash flows. Currently, 6.49% (previously 6.81%).

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: Evaluated annually according to the Getzen Model of Long-Run Medical Cost Trends.

Medical Plan Offerings

Comprehensive Medical, Dental and \$2,000 of Group Term Life Insurance.

Average Active Single Plan:
\$987

Average Medicare Supplement Plan:
\$286



WHAT WE DO

Numbers

We're big believers in the numbers. Knowing where you stand can help you make the best decisions for your future.

90%

Of towns are now pre-funding
as of December 31, 2024.

19%

Of Odyssey's OPEB clients are
At least 20% funded

423

Number of OPEB valuations
we delivered in 2024

Funding Comparison to Other Odyssey Clients

TOWN & CITY FUNDING RATIOS

Values	City	School	Town	Utility	Grand Total
25th Percentile	0.61%	0.45%	3.39%	2.50%	1.91%
50th Percentile	0.91%	6.33%	9.90%	45.51%	9.77%
60th Percentile	2.47%	8.94%	15.19%	55.11%	16.35%
80th Percentile	5.43%	27.08%	30.05%	104.00%	43.40%
90th Percentile	12.73%	55.95%	49.00%	127.07%	84.87%
95th Percentile	39.61%	86.87%	70.81%	151.16%	105.57%

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	279	6.49%	491,570	1,762	24,506,636	14.32%	1,421,471	3,938
Town of Foxborough	671	6.53%	1,172,037	1,747	30,560,975	42.34%	2,065,419	4,652
Town of Norfolk	366	5.14%	1,104,954	3,019	32,724,052	1.30%	1,223,084	7,368
Town of Bellingham	458	5.25%	1,569,501	3,427	48,680,747	2.33%	1,807,591	4,519
Town of Milford	917	6.16%	2,626,000	2,864	108,435,954	10.45%	4,848,254	7,067
Town of Hopkinton	717	6.55%	941,360	1,313	36,597,791	17.76%	1,717,870	4,732
Massachusetts Average (Odyssey Clients only)	179	5.00%	604,679	3,382	21,296,358	11.37%	913,343	6,626

Service Cost Per Active Employee

Town of Medway
Service Cost per Capita as of July 1, 2023

	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	62,406	258,148	41,200	72,569	44,783	7,746	2,609	2,109	491,570
II. Eligible Actives	45	150	29	29	16	7	2	1	279
III. Service Cost per Eligible Active [I. / II.]	1,387	1,721	1,421	2,502	2,799	1,107	1,305	2,109	1,762

Projected Cash Flows

Total Medical, Dental & Life Insurance - Funding - 6.49% discount rate									
Measurement Date	I. Total OPEB Liability ("TOL")	II. Fiduciary Net Position	III. Net OPEB Liability ("NOL") [I. - II.]	IV. Funded Ratio [II. / 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, 2025	28,600,887	4,094,251	24,506,636	14.32%	1,421,471	300,000	1,721,471	28,600,887	1,421,471
June 30, 2026	29,386,411	4,669,550	24,716,861	15.89%	1,471,655	300,000	1,771,655	27,767,851	1,380,069
June 30, 2027	30,139,374	5,282,186	24,857,188	17.53%	1,581,631	300,000	1,881,631	27,699,511	1,387,176
June 30, 2028	30,859,982	5,934,582	24,925,400	19.23%	1,688,684	300,000	1,988,684	27,581,797	1,447,416
June 30, 2029	31,602,909	6,629,318	24,973,591	20.98%	1,728,252	300,000	2,028,252	27,418,694	1,500,374
June 30, 2034	35,533,254	10,840,773	24,692,481	30.51%	1,941,918	300,000	2,241,918	26,599,257	1,469,626
June 30, 2039	39,393,451	26,594,472	12,798,979	67.51%	2,388,744	2,000,000	4,388,744	25,558,927	1,480,122
June 30, 2044	42,860,897	44,130,688	(1,269,791)	102.96%	2,832,652	(1,912,617)	920,035	24,014,512	1,614,042
June 30, 2049	47,355,941	49,462,795	(2,106,854)	104.45%	2,903,436	(1,828,247)	1,075,189	22,778,729	1,428,332
June 30, 2054	53,408,972	56,973,010	(3,564,038)	106.67%	3,101,029	(1,825,835)	1,275,194	22,061,349	1,292,898
June 30, 2059	61,876,702	67,144,182	(5,267,480)	108.51%	3,377,841	(1,850,642)	1,527,199	21,956,883	1,230,766
June 30, 2064	73,704,427	81,197,690	(7,493,263)	110.17%	3,655,346	(1,818,425)	1,836,921	22,446,284	1,121,564

RESOURCES

OPEB University

All of your OPEB questions answered. We regularly publish educational articles, reports, white papers, and videos about employee benefits management, research, and industry insights.

FREE WEBINAR

**ARPA
REVENUE
REPLACEMENT
CALCULATION**

November 3rd | 1:30 pm EDT

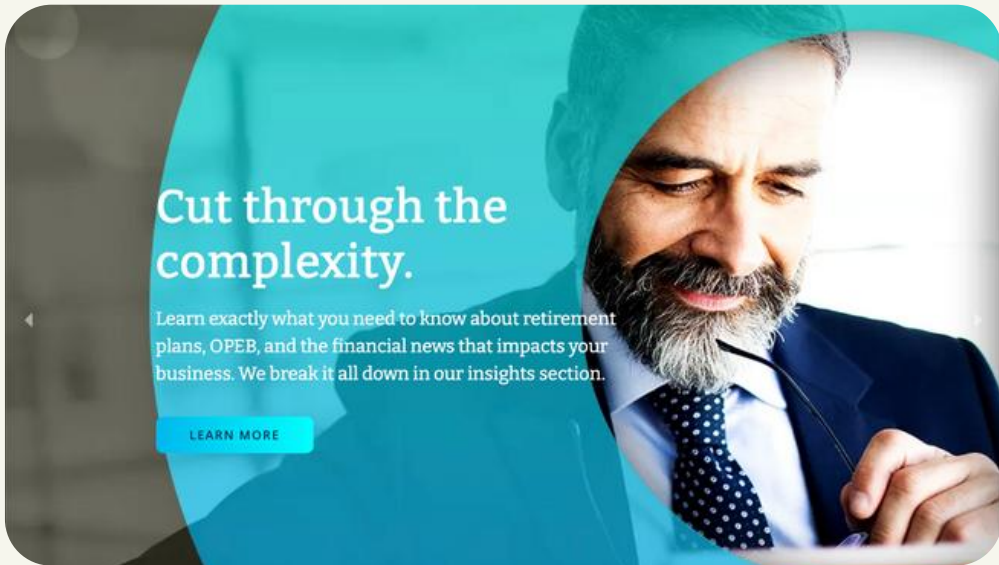


Tony Roselli
Roselli, Clark & Associates



Parker Elmore
Odyssey Advisors

Webinars



Cut through the complexity.

Learn exactly what you need to know about retirement plans, OPEB, and the financial news that impacts your business. We break it all down in our insights section.

LEARN MORE

Articles



Annual OPEB Trend Report



Discount Rate Under GASB 74/75 Post Pension Funding

Kurtis Thompson, ASA, MAAA
Parker Elmore, ASA, MAAA, EA, FCA

This case study looks at a town which has adopted a post pension funding policy. This funding policy allocates a modest funding amount towards OPEB until the town's pension becomes fully funded. After this point higher payments are allocated to the OPEB plan based on the cash flow freed up from the completion of pension funding.

Under GASB 74 and 75 the discount rate used to determine disclosed liabilities is the rate that would be used for the pension plan.

What discount rate can they use and why does it matter?

This methodology enables the town to use a 7.5% discount rate for their Fiscal Year 2017 GASB 74/75 valuation rather than the 4% used under GASB 45 or the 2.5% that would be used under GASB 74/75 for an unfunded plan. If the discount rate were 4% liabilities would increase from \$13 million to \$18 million and if the discount rate were 2.5% liabilities would be \$23 million.

White Papers

Thank You

Contact us to learn more
Parker Elmore
President, Actuary, & CEO

www.odysseyadvisors.com
pelmore@odysseyadvisors.com
(855) 401-GAIN (4246)

AGENDA ITEM

#7

**Discussion: Select Board Sponsorship
– Friends of Medway Library Mini-Golf
Tournament**

No associated back up materials.

AGENDA ITEM

#8

Action Items from Previous Meeting

Associated back up materials are attached:

- *Action Items dated 12/1/2025*

[illegible]

AGENDA ITEM

#9

Town Manager's Report

No associated back up materials.

AGENDA ITEM

#10

This time is being reserved for topics that the Chair did not reasonably anticipate would be discussed.

No associated back up materials.

AGENDA ITEM

#11

Select Board Reports

No associated back up materials.

AGENDA ITEM

#12

Executive Session pursuant to G.L. c. 30A, sec. 21(a)(6) to consider the purchase, exchange, 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 - 25, 33, 34, and 38 Winthrop St, 13 Populatic St, 72A and 72B Main St.

Materials to be provided under separate cover.

Proposed Motion:

I move that the Board enter Executive Session, with no intent to return to public session, pursuant to MGL Chapter 30A Section 21(6), to consider the purchase, exchange, lease, or value of real property, if the Chair declares that an open meeting would have a detrimental effect on the negotiating position of the public body, for 25, 33, 34, and 38 Winthrop St, 13 Populatic St, and 72A and 72B Main St.