

# Nashoba Regional School District

## **Governmental Accounting Standards Board (GASB) Statements No. 74 and 75 Accounting Valuation Report**

Measured at June 30, 2022



This report has been prepared at the request of the Nashoba Regional School District to assist in administering the Plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Nashoba Regional School District and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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**Segal**



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August 4, 2022

Ms. Patricia Marone  
Director of Business and Operations  
Nashoba Regional School District  
Central Office  
50 Mechanic Street  
Bolton, MA 01740

Dear Ms. Marone:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statements No. 74 and 75 Accounting Valuation as of June 30, 2022 for the Nashoba Regional School District. It contains the actuarial information that will need to be disclosed in order to comply with GASB 74 and 75. Except as otherwise noted, please refer to the Nashoba Regional School District Actuarial Valuation and Review of Other Postretirement Benefits (OPEB) as of December 31, 2021, dated August 4, 2022, for the data, assumptions and plan of benefits underlying these calculations.

This report is based on information received from the Nashoba Regional School District and vendors employed by the Nashoba Regional School District. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination of the plan, or determining short-term cash flow requirements.

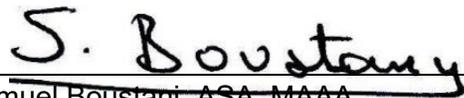
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

August 4, 2022

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. The actuarial calculations were directed under the supervision of Samuel Boustani, ASA, MAAA, who is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Nashoba Regional School District are reasonably related to the experience of and the expectations for the Plan.

We look forward to discussing this with you at your convenience. Once you've reviewed this report, please send a copy (preferably the electronic version) to Jim Lamenzo at PERAC. His email address is [jlamenzo@per.state.ma.us](mailto:jlamenzo@per.state.ma.us).

Sincerely,  
Segal



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Samuel Boustani, ASA, MAAA  
Consulting Actuary



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Ted LaBorde  
Consultant

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# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information for the Nashoba Regional School District (the “Employer”) Other Postemployment Benefits (OPEB) plan and the Nashoba Regional School District OPEB Trust (the “Plan”) as of June 30, 2022, required by Governmental Accounting Standards Board (GASB) Statements No. 74 and 75. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This report is based on financial information as of June 30, 2022 provided by the Nashoba Regional School District and the Nashoba Regional School District Actuarial Valuation and Review as of December 31, 2021, which reflects:

- The benefit provisions of the OPEB plan;
- The characteristics of covered active members, retired participants and beneficiaries as of December 31, 2021;
- The assets of the Plan as of June 30, 2022;
- Economic assumptions regarding future salary increases and investment earnings;
- Health care assumptions regarding per capita costs, trend rates and participation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

## Significant issues

### *Accounting and Financial Reporting*

1. The Net OPEB Liability (NOL) is equal to the difference between the Total OPEB Liability (TOL) and the Plan’s Fiduciary Net Position. The Plan’s Fiduciary Net Position is equal to the market value of assets. The NOL decreased from \$56,331,284 as of June 30, 2021 to \$47,459,656 as of June 30, 2022 and the Plan’s Fiduciary Net Position as a percent of the TOL increased from 1.31% to 1.59%. The NOL had been expected to increase to \$58,967,701, due to normal plan operations. The difference between actual and expected NOL was the net effect of several factors:
  - An asset loss increased the NOL by \$84,959. This was the result of returns less than expected.
  - An actuarial experience loss increased the NOL by \$2,143,449. This was the net result of gains and losses due to demographic changes. We have taken these actuarial gains and losses into account in reviewing our assumption for the current valuation.

## Section 1: Actuarial Valuation Summary

- Valuation assumption changes decreased the NOL by \$13,736,453. This was a net result of (1) updating the per capita health costs and future trend on such costs, (2) updating the mortality assumptions and (3) increasing the discount rate from 2.16% to 3.54%.
- 2. The NOL measured as of June 30, 2022 and June 30, 2021 were determined based upon the results of actuarial valuations as of December 31, 2021 and December 31, 2019, respectively.
- 3. The discount rate used to measure the TOL and NOL as of June 30, 2022 and June 30, 2021 was 3.54% and 2.16%, respectively.
- 4. The Annual OPEB Expense decreased from \$4,826,729 for the year ending June 30, 2021 to \$2,481,123 for the year ending June 30, 2022.
- 5. The Coronavirus (COVID-19) pandemic has had a significant impact on the US economy, including retiree health plans, and will likely continue to have an impact in the future. Our results do not include the impact of the following:
  - Short-term increases in health plan costs related to the testing and treatment of COVID-19;
  - Short-term or long-term impacts on the mortality of the covered population.

Each of the above factors could significantly impact these results. We will keep you updated on emerging developments.

## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

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

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

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

## Section 1: Actuarial Valuation Summary

### Actuarial Models

Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

The results are also based on models for cost projections developed by Segal actuaries and programmers. The client team customizes and validates the models, and reviews the results, under the supervision of the responsible actuary.

The blended discount rate used for calculating total pension liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

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

The actuarial valuation is prepared for use by the Nashoba Regional School District. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.

If the Nashoba Regional School District is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

Sections of this report include actuarial results that are not rounded, but that does not imply precision.

Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.

## Section 1: Actuarial Valuation Summary

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Nashoba Regional School District should look to their other advisors for expertise in these areas.

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the Nashoba Regional School District upon delivery and review. Nashoba Regional School District should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

# Section 2: GASB Information

## Exhibit 1 – General information about the OPEB plan

### Plan Description

*Plan membership.* At December 31, 2021, the Nashoba Regional School District’s plan membership consisted of the following:

	December 31, 2021
<b>Retired members or beneficiaries currently receiving benefits</b>	372
<b>Active members</b>	<u>372</u>
<b>Total</b>	744

We have assumed other general information about the Plan will be provided by the Nashoba Regional School District’s auditors.

## Exhibit 2 – Net OPEB liability

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
<b>Components of the Net OPEB Liability</b>		
Total OPEB Liability	\$48,225,693	\$57,078,243
Plan Fiduciary Net Position	766,037	746,959
Net OPEB Liability	47,459,656	56,331,284
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability*	1.59%	1.31%

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

*Actuarial assumptions.* The Total OPEB Liability as of June 30, 2022 was measured by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Wage inflation</b>	3.25% (used for normal cost projection)
<b>Salary increases</b>	6.00% decreasing to 4.25% based on service for Non-Teachers 7.50% decreasing to 4.00% based on service for Teachers
<b>Discount rate</b>	3.54% as of June 30, 2022 and 2.16% as of June 30, 2021
<b>Health care cost trend rates</b>	Medical/Prescription Drug: 7.00% decreasing by 0.25% down to 4.50% Dental: 3.50% Medicare Part B: 4.50% Contributions: Retiree contributions are expected to increase with medical trends.
<b>Mortality rates</b>	<i>Pre-Retirement (Non-Teachers):</i> RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 <i>Healthy (Non-Teachers):</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 <i>Disabled (Non-Teachers):</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 <i>Pre-Retirement (Teachers):</i> Pub-2010 Teacher Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2021 <i>Healthy (Teachers):</i> Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2021 <i>Disabled (Teachers):</i> Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2021

## Exhibit 3 – Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation as of June 30, 2022 and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.00%	6.11%
International developed markets equity	11.50%	6.49%
International emerging markets equity	4.50%	8.12%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.48%
Real estate	10.00%	3.72%
Timber	4.00%	3.44%
Hedge fund, GTAA, Risk parity	10.00%	2.63%
Private equity	<u>15.00%</u>	9.93%
Total	100.00%	

Note: Some asset classes included in the target asset allocation have been combined.

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

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.54% as of June 30, 2022. The plan was 1.59% funded as of June 30, 2022 and the District's funding policy to contribute \$50,000 per year to the District's OPEB trust, which comprise current and future assets, are projected to be insufficient to pay benefits. Therefore, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index (3.54% as of June 30, 2022 and 2.16% as of June 30, 2021). This determination is in accordance with GASB Statement No. 75.

## Exhibit 4 – Sensitivity

The following presents the NOL of the Nashoba Regional School District as well as what the NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Net OPEB Liability (Asset)	\$55,577,596	\$47,459,656	\$40,947,033
	<b>1% Decrease in Health Care Cost Trend Rates</b>	<b>Current Health Care Cost Trend Rates</b>	<b>1% Increase in Health Care Cost Trend Rates</b>
Net OPEB Liability (Asset)	\$40,041,799	\$47,459,656	\$56,990,082

## Exhibit 5 – Schedule of changes in Net OPEB Liability – Last two fiscal years

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
<b>Total OPEB Liability</b>		
Service cost	\$2,706,282	\$2,875,273
Interest	1,277,984	1,391,533
Change of benefit terms	0	0
Differences between expected and actual experience	2,143,449	0
Changes of assumptions	-13,736,453	-6,656,202
Benefit payments, including refunds of member contributions	-1,243,812	-1,238,040
Net change in Total OPEB Liability	-\$8,852,550	-\$3,627,436
Total OPEB Liability – beginning	57,078,243	60,705,679
Total OPEB Liability – ending	\$48,225,693	\$57,078,243
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	\$1,293,812	\$1,388,040
Contributions – employee	0	0
Net investment income	-30,922	146,357
Benefit payments, including refunds of member contributions	-1,243,812	-1,238,040
Administrative expense	0	0
Net change in Plan Fiduciary Net Position	\$19,078	\$296,357
Plan Fiduciary Net Position – beginning	746,959	450,602
Plan Fiduciary Net Position – ending	\$766,037	\$746,959
Net OPEB Liability – ending	\$47,459,656	\$56,331,284
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	1.59%	1.31%
Covered employee payroll	\$39,966,838	\$39,263,169
Plan Net OPEB Liability as percentage of covered payroll	118.75%	143.47%

## Notes to schedule:

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### Changes in Actuarial Assumptions:

Changes as of June 30, 2021:

- The trend assumptions were updated to reflect known increases in premiums for fiscal year ending 2022
- The discount rate was changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021

Changes as of June 30, 2022:

- The per capita health care costs were updated to reflect recent experience.
  - The trend assumptions were revised to reflect current experience and future expectations.
  - The mortality assumptions were updated for both Teachers and Non-Teachers. These updates are consistent with similar plans and recent companion pension valuations and better reflect current experience and future expectations.
  - The discount rate was changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022
- 

### Changes in Plan Provisions:

Changes as of June 30, 2021:

- None

Changes as of June 30, 2022:

- None
-

## Exhibit 6 – OPEB expense

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
<b>Components of OPEB Expense</b>		
Service cost	\$2,706,282	\$2,875,273
Interest on the Total OPEB Liability	1,277,984	1,391,533
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	381,397	0
Expensed portion of current-period changes of assumptions or other inputs	-2,444,209	-1,184,378
Member contributions	0	0
Projected earnings on plan investments	-54,037	-36,792
Expensed portion of current-period differences between actual and projected earnings on plan investments	16,991	-21,913
Administrative expense	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	2,140,061	2,140,061
Recognition of beginning of year deferred inflows of resources as OPEB expense	-1,543,346	-337,055
<b>OPEB Expense</b>	<b>\$2,481,123</b>	<b>\$4,826,729</b>

## Deferred outflows of resources and deferred inflows of resources

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
Changes of assumptions or other inputs	\$4,947,068	\$6,942,470
Net difference between projected and actual earnings on OPEB plan investments	9,374	0
Difference between expected and actual experience in the Total OPEB Liability	<u>2,130,796</u>	<u>509,487</u>
Total Deferred Outflows of Resources	\$7,087,238	\$7,451,957
<b>Deferred Inflows of Resources</b>		
Changes of assumptions or other inputs	\$15,916,061	\$6,144,564
Net difference between projected and actual earnings on OPEB plan investments	0	77,277
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	\$15,916,061	\$6,221,841
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
Reporting Date for Employer under GASB 75 Year Ended June 30:		
2022	N/A	\$596,715
2023	-\$1,449,108	596,712
2024	-1,112,049	933,771
2025	-2,208,590	-162,770
2026	-2,780,132	-734,312
2027	-1,278,944	0
Thereafter	0	0

Note: Average expected remaining service lives as of December 31, 2019 is 5.62 years.

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amount by the total number of active employee, nonactive and retired members.

## Exhibit 7 – Schedule of reconciliation of Net OPEB Liability

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
<b>Beginning Net OPEB Liability</b>	\$56,331,284	\$60,255,077
OPEB expense	2,481,123	4,826,729
Employer contributions	-1,293,812	-1,388,040
New net deferred inflows/outflows	-9,462,224	-5,559,476
Recognition of prior deferred inflows/outflows	<u>-596,715</u>	<u>-1,803,006</u>
<b>Ending Net OPEB Liability</b>	\$47,459,656	\$56,331,284

## Exhibit 8 – Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	\$2,132,734	\$1,093,953	\$1,038,781	\$36,103,698	3.03%
2019	2,217,566	1,488,496	729,070	36,953,354	4.03%
2020	2,286,847	1,238,141	1,048,706	38,329,100	3.23%
2021	2,354,716	1,388,040	966,676	39,263,169	3.54%
2022	2,176,924	1,293,812	883,112	39,966,838	3.24%

### Notes to Schedule:

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

<b>Valuation date</b>	Actuarially determined contribution for fiscal year 2022 was based on the December 31, 2021 actuarial valuation.
<b>Actuarial cost method</b>	Entry Age Normal - Level Percentage of Payroll
<b>Amortization method</b>	Level percent of payroll
<b>Remaining amortization period</b>	30-year open amortization
<b>Asset valuation method</b>	Market value
<b>Investment rate of return</b>	7.00%
<b>Wage inflation</b>	3.25% (used for normal cost projection)
<b>Health care cost trend rates</b>	Medical/Prescription Drug: 7.00% decreasing by 0.25% down to 4.50% Dental: 3.50% Medicare Part B: 4.50% Contributions: Retiree contributions are expected to increase with medical trends.
<b>Mortality rates</b>	<i>Pre-Retirement (Non-Teachers)</i> : RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 <i>Healthy (Non-Teachers)</i> : RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 <i>Disabled (Non-Teachers)</i> : RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 <i>Pre-Retirement (Teachers)</i> : Pub-2010 Teacher Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2021 <i>Healthy (Teachers)</i> : Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2021 <i>Disabled (Teachers)</i> : Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2021