



Town of North Branford

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DATE:	March 4, 2025	
SOLICITATION NAME:	Retirement Plan Investment Consultant	
SOLICITATION #	926016	
CLOSING DATE:	March 19, 2025	11:00AM
ADDENDUM NUMBER	ONE	

Prospective bidders, and all those concerned, are hereby informed that the following is made a part of the bid documents, which should be amended to read as follows:

The current investment consultant is USI.

Flat fee of \$18,000 annually

Attached are three (3) actuarial reports for each plan, as well as the investment policy statement.

Attached is the current monthly statement for the policy plan indicating current holdings.

All three plans have similar holdings, just varying percentages.

We are seeking an investment consultant to make recommendations to the Pension Committee NOT a discretionary asset manager.

The quarterly pension meetings have historically been in person, but since COVID, they have a mixed bag – some combination (the current manager's company has strict policies on this subject as it relates to the health of their personnel) and some solely virtual (few). Attendance is required at the four quarterly meetings, regardless of the format.

Respectfully submitted,

Michael V. Fumiatti
Purchasing

Please acknowledge receipt of addendum in your Submission.

Town of North Branford, CT
North Branford Employees' Pension Plan
North Branford Police Pension Plan
The Merit Services Retirement Plan for Volunteer
Fire/Ambulance Personnel

INVESTMENT POLICY STATEMENT

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I. THE PLAN

The Town of North Branford, CT (the “Town”) established the North Branford Employees’ Pension Plan, the North Branford Police Pension Plan, and The Merit Services Retirement Plan for Volunteer Fire/Ambulance Personnel (the “Plans”) in order to provide eligible employees of the Town with additional financial security at retirement through the provision of a promised level of income to assist in meeting their retirement income needs.

The Town intends that the Plans qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended and that the trust be exempt from taxation under Section 501(a) of the Code.

II. THE PURPOSE OF THE INVESTMENT POLICY STATEMENT

The purpose of this Investment Policy Statement (“IPS”) is to articulate guidelines, roles and responsibilities associated with the management of the investment of the Plans’ assets and is intended to govern all investments associated with the Plans. It is intended to be both sufficiently specific to be meaningful, while retaining flexibility to the extent practicality requires.

The Town has established an Investment Committee (the “Committee”) to serve as the Plans’ fiduciary and manage, in its sole and absolute discretion, the investment of the Plans’ assets. The Committee will discharge its responsibilities under the Plans solely in the long-term interests of Plan participants and their beneficiaries. The guidelines outlined in this IPS are intended to assist the Town in effectively implementing, supervising, monitoring and evaluating the investment of the assets of the Plans. The Plans’ investment program is defined in the various sections of this IPS by:

1. Stating in a written document the Committee’s attitudes, expectations, objectives and guidelines for the investment of the Plans’ assets.
2. Setting forth an investment structure for managing the Plans’ assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
3. Providing guidelines for each investment portfolio that control the level of overall risk and liquidity assumed in that portfolio, so all Plan assets are managed in accordance with stated objectives.
4. Providing rate-of-return and risk characteristics for each asset class represented by various investments.
5. Establishing formal criteria to select, monitor, evaluate and compare the performance results achieved by each investment on a regular basis.
6. Encouraging effective communications between and among the Committee and all parties involved with the investment management decisions.
7. Complying with all applicable law, fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Plans’ assets.

III. INVESTMENT OBJECTIVES

a.) The investment objectives of the Plans and their investment programs are to:

1. Provide retirement benefits (incorporating the ability to pay all benefit and expense obligations when due), as described in the Plan document, to its participants and their beneficiaries;
2. Maintain a reasonable funding cushion for (1) possible future increases in benefits and/or expenses, and (2) any reduction in the return on investments or interest rate assumptions; and
3. Provide a long-term investment return greater than the Plans' actuarial interest rate assumption commensurate with appropriate levels of risk.

b.) The investment strategy articulated in the policy portfolios found in Appendix I has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a mid- to long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective. The Committee acknowledges that over shorter time periods, returns may vary from performance objectives and the investment policy thus serves as a buffer against ill-considered action.

c.) There are three principal factors that affect a pension fund's financial status: 1) contributions, 2) benefit payments and 3) investment performance. Only the last factor is dependent upon the investment policy and guidelines contained herein. However, the Committee's level of risk tolerance will take all three factors into consideration. At certain levels of funded status, it could be impossible for the Plans' investments to achieve the necessary performance to meet the promised liabilities. The result is that either benefits have to be reduced, contributions increased, or risk tolerance changed.

IV. INVESTMENT AND FIDUCIARY STANDARDS

This IPS is designed to further the purposes of the Plans and their funding policies consistent with the fiduciary obligations set forth under applicable law. In accordance with applicable law, plan fiduciaries shall discharge their duties with respect to the Plans solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the Plans. Plan fiduciaries shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. In accordance with applicable law, Plan fiduciaries shall also take necessary action to diversify the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so and shall act in accordance with the documents and instruments governing the Plan (including this Statement of Investment Policy) insofar as such documents and instruments are consistent with applicable law.

V. ROLES AND RESPONSIBILITIES

The Committee is responsible, but not limited to:

- Establishing the IPS and reviewing on a periodic basis.

- Hiring of experts (such as the Plans' Advisor, investment managers, consultants, actuaries and other advisors), where necessary, to carry out the terms of this IPS and monitoring of their respective performance on an ongoing basis.
- Monitoring the investment and administrative expenses of the Plans, ensuring they are commensurate with the services provided.
- Avoiding prohibited transactions and conflicts of interest.
- Reviewing the asset allocation policy, asset class guidelines, and current capital market assumptions periodically (e.g., annually) to ensure that the current asset mix can reasonably be expected to achieve the long-term goals of the Plans.
- Reviewing the Plans' updated actuarial valuation and financial projection periodically (e.g., annually), including the recommended Funding Policy for each year.
- Ensuring the investments of the Plans are monitored and evaluated periodically (e.g., quarterly) in accordance with this IPS by the Advisor.
- Reviewing the Plans' investments periodically (e.g., quarterly) to assess whether policy guidelines continue to be appropriate and are met. The Committee shall monitor investment risk, as well as monitor investment returns on an absolute and benchmark relative basis.
- Providing a copy of this IPS to each firm retained to provide investment services to the Plans and requiring each such firm to acknowledge in writing receipt of the document and acceptance of its contents.
- Monitoring and voting of proxies in a way that is consistent with the Plans' interest, engaging the services of consultants, the custodian bank, and/or proxy advisory services in the course of fulfilling its responsibilities in this regard.

Those responsible for the management and administration of the Plans' investments in addition to the Committee include, but are not limited to:

- The Plans' trustee is responsible for:
 - Holding and investing Plan assets in accordance with the terms of the Trust Agreement.
- The investment managers selected by the Plans are responsible for:
 - Investing within their respective prospectus guidelines
 - Reporting investment results on a regular basis
 - Returns that are reasonable, such as matching or exceeding relevant peers and/or market benchmarks over the long term.
- The Plans' Advisor is responsible for:
 - Assisting in the development and periodic review of the IPS.
 - Selecting investment funds and asset classes for the Plans.
 - Monitoring the investment funds on a systematic basis (e.g., quarterly), bringing any investment funds placed on the Watch list to the attention of the Plans, and recommending action where appropriate.
 - Reviewing at least annually whether the investments within the asset classes utilized by the Plans are appropriate.
 - Reporting on the performance of the investments, consistent with the guidelines and objectives outlined in this document.
 - Assisting the Committee with the review of the performance of the investment funds in the Plans.
 - Performing due diligence on the investment fund managers in the Plans.
 - Communicating significant changes to the investments, including, but not limited to manager changes, style drift, process changes, performance issues, etc.
 - Recommending an appropriate asset allocation mix and reviewing periodically.

VI. INVESTMENT PHILOSOPHY AND POLICIES

a.) Philosophy

The investment objective of the Plans is to seek a return on investment consistent with levels of investment risk that are prudent and reasonable given long-term capital market conditions and the investment objectives of the Plans (please refer to Investment Objectives in Section III). While the Committee recognizes the importance of the preservation of capital, it also recognizes that achieving the Plans' investment objectives requires prudent risk-taking, and that risk is the prerequisite for generating reasonable returns (e.g., exceeding the rate of inflation over time to at least retain purchasing power). Therefore, the Committee's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed, and that fiduciaries have the obligation to utilize risk effectively. Risk exposures should be identified, measured, monitored and tied to responsible parties; and risk should be taken consistent with expectations for return. The Committee recognizes that the assumption of risk is necessary to meet Plan objectives; that is, **there are no “risk free” assets** to generate the Plans' required rate of return. Thus, Plan risk management does not require the elimination of risk, but the balancing of risk and expected return.

b.) Policies

1. The investment policies of the Plans shall be based on financial guidelines that will consider:
 - A. The financial condition of the Plans, i.e., the relationship between the current and projected assets of the Plans and the projected benefit payments, and the current Funding Policy.
 - B. Changes in the number of active and retired participants; benefit payments; discount rate in any year (together these are the principal factors determining liability growth).
 - C. The expected long-term capital market outlook, including expected volatility of, and correlation among, various asset classes.
 - D. The range of possible investment outcomes associated with different policies.
 - E. The Committee's risk tolerance, that is, the trade-off between the desire to achieve high returns (and the associated high volatility) and the desire to avoid unacceptable outcomes (and the associated necessity for reduced volatility).
2. The Committee will consider alternative investment policies and measure their potential impact on the financial condition of the Plans and assess their suitability in meeting the objectives of the Plans.
3. The Committee's financial plan will result in a review of risk metrics, that is, an expected amount of volatility associated with a given expected level of investment returns offered by the capital markets including the expected active return.
4. Based on the risk metrics, the Committee, with input from the Plans' Advisor, will approve a specific allocation of the investments (the policy portfolio) among the various asset classes considered prudent given the Plans' liability structures, and

considering multiple measures of investment and surplus risk. The policy portfolio shall be expressed in terms of a normal percentage allocation, and ranges for each asset class. These policy weights, acceptable ranges, and performance benchmarks for each asset class are found in Appendix 1.

5. The policy portfolio shall be sufficiently diversified to enable the appropriate fiduciary to manage risk, within acceptable risk budgets, in order to optimize return.
6. The Plans' equity and fixed income assets shall minimize the use of economic leverage. Economic leverage, in the context of portfolio management, is defined as a net dollar exposure to assets in excess of the dollar amount of invested capital, as measured by current market value.

VII. RETURN OBJECTIVES

- a.) The Return Objective of the overall Retirement Fund should be viewed relative to:
 1. Actuarial rate of interest
 2. Risk tolerance of the Plan and its investment time horizon
 3. Funded status and glide path considerations
 4. Strategic and tactical asset allocation
 5. Policy benchmarks
- b.) The Plans' total return objective should be at least equal to the Plans' actuarial rate of return on a consistent basis over time.
 1. This objective is to achieve a rate of return equal to or greater than the Plans' actuarial interest rate. If the Plans' assets grow at a rate equal to or greater than the actuarial rate, the Plans' funding condition will be maintained or improved. Earning a lower return will generally result in increased levels of contributions. (Improving the Plans' funded status is conditioned, in part, on the successful implementation of a prudent funding policy.)
- c.) Funded status should increase over time.
 1. The ultimate objective is to get the Plans fully funded and subsequently maintain a status of full funding, meaning that the Plans' assets are at least as great as the Plans' liabilities, both as measured by actuarially acceptable methodologies. Full funding provides a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. (The ability to attain full funding is conditioned, in part, on the successful implementation of a prudent funding policy.)
- d.) The Plans' return objective is to match or exceed the Plans' weighted benchmark return, net of all fees and expenses on a consistent basis over time.
 1. This objective is to match or exceed a passively managed portfolio with a similar asset mix, net of all fees and expenses. The value added above the policy benchmark measures the effectiveness of the Committee's active management decisions. Please refer to Appendix II for a list of performance benchmarks.

Performance Return measurement standards will adhere to the time-weighted methodology.

VII. Constraints

a.) Liquidity

Assets shall be allocated to provide adequate liquidity for the Plans' disbursements, such as benefit payments and ongoing expenses. Plan assets shall be managed such that all retirement benefit payments are met as they become due. Liquid investment vehicles are hereby defined as all investments that can be quickly converted to cash with no significant adverse change in value as a result of the liquidation.

b.) Time Horizon

The Plans have a long-term perspective based on multiyear projections of spending, and asset growth. Accordingly, short-term investment performance shortfalls are not necessarily of critical interest unless they suggest failures in strategy execution at investment management firms retained by the Plans.

c.) Regulatory and Legal Constraints

Consistent with the fiduciary obligations set forth under applicable law, Plan fiduciaries shall take necessary action to diversify the investments of the Plans so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so and shall act in accordance with the documents and instruments governing the Plans (including this Statement of Investment Policy) insofar as such documents and instruments are consistent with applicable law.

Appendix I: Strategic Asset Allocation & Allowable Ranges – Employees’ Pension

The Committee has adopted the following asset allocation policy (“Policy”), including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the Total Plan. The allowable ranges have been chosen to be consistent with budgets and ranges for total and active risk.

Total Plan Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Global Equities	40%	57%	70%
Fixed Income	25%	38%	60%
Specialty/Non-Traditional	1%	2%	20%
Cash Equivalents	0%	3%	10%

Domestic Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Large Value	1%	8%	20%
Large Blend	10%	13.5%	50%
Large Growth	1%	8%	20%
Mid Value	0%	0%	10%
Mid Blend	1%	4.25%	15%
Mid Growth	0%	0%	10%
Small Value	0%	2%	10%
Small Blend	1%	2.25%	15%
Small Growth	0%	2%	10%

Global Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
U.S. Equities	25%	40%	55%
Non-U.S. Developed Equities	5%	11.5%	25%
Emerging Markets	0%	5.5%	8%

Fixed Income Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Intermediate-Term Bonds	5%	13.5%	25%
Long Gov’t/Credit Bonds	0%	0%	10%
U.S. Long Credit Bonds	0%	2%	10%
U.S. Credit Bonds	0%	0%	10%
U.S. Long Gov’t Bonds	0%	0%	10%
U.S. Gov’t Bonds	0%	0%	20%
Inflation-Protected Bonds	0%	0%	10%
High Yield Bonds	0%	0%	8%
Multi-Sector Bonds	1%	8%	15%
Emerging Market Bonds	0%	0%	0%
Other Fixed Income*	0%	14.5%	20%

*Includes short-term bond, nontraditional bond, bank loans, preferred stock

Appendix I: Strategic Asset Allocation & Allowable Ranges – Police Pension

The Committee has adopted the following asset allocation policy (“Policy”), including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the Total Plan. The allowable ranges have been chosen to be consistent with budgets and ranges for total and active risk.

Total Plan Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Global Equities	40%	58%	70%
Fixed Income	25%	37%	60%
Specialty/Non-Traditional	1%	4%	20%
Cash Equivalents	0%	1%	10%

Domestic Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Large Value	1%	8%	20%
Large Blend	10%	14%	50%
Large Growth	1%	8%	20%
Mid Value	0%	0%	10%
Mid Blend	0%	4%	15%
Mid Growth	0%	0%	10%
Small Value	0%	2%	10%
Small Blend	1%	2%	15%
Small Growth	0%	2%	10%

Global Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
U.S. Equities	25%	40%	55%
Non-U.S. Developed Equities	5%	12%	25%
Emerging Markets	0%	6%	8%

Fixed Income Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Intermediate-Term Bonds	5%	13%	25%
Long Gov't/Credit Bonds	0%	0%	10%
U.S. Long Credit Bonds	0%	2%	10%
U.S. Credit Bonds	0%	0%	10%
U.S. Long Gov't Bonds	0%	0%	10%
U.S. Gov't Bonds	0%	0%	20%
Inflation-Protected Bonds	0%	0%	10%
High Yield Bonds	0%	3%	8%
Multi-Sector Bonds	1%	8%	15%
Emerging Market Bonds	0%	0%	0%
Other Fixed Income*	0%	11%	20%

*Includes short-term bond, nontraditional bond, bank loans, preferred stock

Appendix I: Strategic Asset Allocation & Allowable Ranges – Merit Services Retirement Plan for Fire/Ambulance Personnel

The Committee has adopted the following asset allocation policy (“Policy”), including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the Total Plan. The allowable ranges have been chosen to be consistent with budgets and ranges for total and active risk.

Total Plan Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Global Equities	40%	58%	70%
Fixed Income	25%	37%	60%
Specialty/Non-Traditional	1%	4%	20%
Cash Equivalents	0%	1%	10%

Domestic Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Large Value	1%	8%	20%
Large Blend	10%	14%	50%
Large Growth	1%	8%	20%
Mid Value	0%	0%	10%
Mid Blend	1%	4%	15%
Mid Growth	0%	0%	10%
Small Value	0%	2%	10%
Small Blend	1%	2%	15%
Small Growth	0%	2%	10%

Global Equity Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
U.S. Equities	25%	40%	55%
Non-U.S. Developed Equities	5%	12%	25%
Emerging Markets	0%	6%	8%

Fixed Income Asset Allocation

	Lower Limit	Strategic Allocation	Upper Limit
Intermediate-Term Bonds	5%	13%	25%
Long Gov’t/Credit Bonds	0%	0%	10%
U.S. Long Credit Bonds	0%	2%	10%
U.S. Credit Bonds	0%	0%	10%
U.S. Long Gov’t Bonds	0%	0%	10%
U.S. Gov’t Bonds	0%	0%	20%
Inflation-Protected Bonds	0%	0%	10%
High Yield Bonds	0%	3%	8%
Multi-Sector Bonds	1%	8%	15%
Emerging Market Bonds	0%	0%	0%
Other Fixed Income*	0%	11%	20%

*Includes short-term bond, nontraditional bond, bank loans, preferred stock

There could be periodic deviations in actual asset weights from the Policy asset weights specified above. Causes for periodic deviations are market movements, cash flows, significant Plan changes, and varying portfolio performance. Significant movements from the asset class Policy weights could alter the intended expected return and risk of the Plans. Therefore, the actual asset allocation will be reviewed periodically (e.g., quarterly) to determine and report any deviation outside of the upper and/or lower limits. The Committee shall assess and manage the trade-off between the cost of rebalancing (such as trading costs) and the active risk associated with the deviation from policy asset weights. Periodic deviations will be reviewed by the Committee at scheduled meetings with the Advisor and portfolio rebalancing decisions will be evaluated and reviewed by the Committee periodically (e.g., quarterly) with the Advisor.

Peer group analysis (where applicable or available) should be added for all asset classes to further give meaningful insight into performance numbers, acknowledging that “peer groups” violate several of the characteristics required of a meaningful benchmark (e.g., survivorship bias).

Benchmarks for each asset class may be changed or modified only by the Committee, and each benchmark shall be incorporated in each investment management agreement as the basis for evaluation of performance.

Total Plan Performance Benchmark

The annualized annual rate of return objective of the Plans over a five-year period (market cycle) would be to exceed the annualized annual rate of return that would have been achieved in the same period by a composite weighted market index and peer group benchmark. The composite weighted benchmark is:

30%	S&P 500 TR USD
7%	Russell Mid Cap TR
3%	Russell 2000 TR
20%	MSCI AC World X-US
18%	Bloomberg US Universal Bond TR
20%	Bloomberg US Aggregate Bond TR USD
2%	Bloomberg US Govt/Credit 1-3 Yr TR USD

Appendix II: Asset Class Performance Benchmarks

The Committee has adopted the following performance benchmarks for each asset class:

ASSET CLASS	MARKET BENCHMARK
EQUITIES	
Large Cap Value	Russell 1000 Value
Large Cap Blend (Active)	S&P 500 or Russell 1000
Large Cap Blend (Index)	S&P 500 or Russell 1000
Large Cap Growth	Russell 1000 Growth
Mid-Cap Value	Russell Mid-Cap Value
Mid-Cap Blend	Russell Midcap
Mid-Cap Growth	Russell Mid-Cap Growth
Small Cap Value	Russell 2000 Value
Small Cap Blend	Russell 2000
Small Cap Growth	Russell 2000 Growth
World Stock (Developed)	MSCI World
International (Developed + Em)	MSCI AC World x U.S.
International (Developed)	MSCI EAFE
Diversified Emerging Markets	MSCI Emerging Markets
FIXED INCOME	
Intermediate Core Bond	Barclays Aggregate Bond
Intermediate Core-Plus Bond	Barclays Universal Bond
Long Gov't/Credit Bond	Barclays Long Govt/Credit
U.S. Long Credit	Barclays U.S. Long Credit
U.S. Credit	Barclays U.S. Credit
U.S. Gov't Bond	Barclays U.S. Govt Bond
U.S. Long Gov't Bond	Barclays U.S. Long Govt Bond
Inflation-Protected Bond	Barclays U.S. TIPS
Short-Term Bond	Barclays Capital Govt/Credit 1-3 Yr
Short Gov't/Ultrashort Bond	Barclays Capital Govt 1-3 Yr
Multisector Bond	Barclays U.S. Universal
High Yield Bond	Credit Suisse High Yield
Bank Loan	Credit Suisse Leveraged Loan
Emerging Markets Bond	JPM EMBI Global Diversified
World Bond	Citigroup WGBI USD
SPECIALTY/NON-TRADITIONAL	
Real Estate	FTSE NAREIT Equity REITS
Commodities	Dow Jones UBS Commodity Index
CASH EQUIVALENTS	
Money Market	Three Month U.S. T-Bill
BENCHMARK	
Custom Portfolio	Custom Benchmark

Appendix III: Due Diligence Guidelines

In addition to the Plans' investment results, individual investment asset managers will be evaluated by the Committee and the Plans' Advisor. The Committee may decide to add or eliminate investments within asset classes. The Committee is not required to select, and this IPS does not require the Committee to select investments within every asset class (under Appendix II). After determining the appropriate asset allocation and investment strategy, the selection of the investment with the Plans will include, but is not limited to, the following qualitative and quantitative criteria:

- *People* – the ability to attract and retain talent at the firm and investment team level
 - Firm Level: Management and culture considerations, such as asset flows, firm leadership, and compensation structure
 - Investment Level: Personnel stability, risk management oversight, competitive edge, key personnel tenure and experience
- *Philosophy* – intuitively appealing and connected with the investment process
 - Adoption by investment team
 - Consistent with team's culture
- *Process* – investment process consistent with philosophy and the firm's culture
 - Well-articulated investment process, portfolio construction methodology/implementation, sell discipline
 - Investment style that is clearly defined by sub-style and factor biases
 - Analyst/Research team competitive edge (fundamental and quantitative)
 - Transparency of process, cash management capabilities
- *Performance* – validation of a consistent and repeatable investment process
 - Style exposure, active bet awareness, active return assessment, benchmark awareness/constraints
 - Performance: rolling period versus peers and benchmark (3yr; 10yr max), longer term performance relative to benchmark and category peers
 - Information Ratio, Standard Deviation, Tracking Error, Up/Down capture ratios, Alpha, Attribution (sector, security, region)
 - Fund size, PM/trader information flow
- *Product* – operational (size, availability), economic, and compliance considerations.

Administrative Considerations

- Share class and fees versus peer group
- Demographics of the Plans

INVESTMENT MONITORING AND REPORTING

The Committee will review the Plans' investments on a periodic basis. The performance of investments and their continued appropriateness, given the investment objectives of the Plans, are an essential part of this review.

Factors in this ongoing evaluation include but are not limited to:

- The performance of the investments relative to comparative indexes and peers. The Plans' Advisor will provide performance reporting, including established indexes and peer analysis (where applicable) on a quarterly basis. Performance of investment managers will be evaluated over a full market cycle relative to their benchmarks and peers. Short-term performance deviations from the benchmark or peers will be taken into consideration but will not necessarily be a determining factor for the status of the investment option. Investments that consistently underperform in terms of risk and return or have qualitative

issues (outlined in the due diligence guidelines) that could impact will be carefully reviewed to determine if action is warranted.

- Unusual, notable, or extraordinary events including, but not limited to, portfolio manager or team departure, violation of investment guidelines, material litigation against the firm, or material changes in firm ownership structure, or announcements thereof. These events should be communicated by the investment advisor immediately to the Committee.

After careful review of the investments, the Committee may decide to:

- Continue to offer the investment in the Plans.
- Place the investment on "watch" status for more detailed analysis.
- Eliminate the investment and transfer the current balance to other investments.
- Add competing investments.

INVESTMENT ASSET MANAGER TERMINATION

An investment can be terminated when the Committee has lost confidence in the investment manager's ability to:

- Achieve performance and risk objectives,
- Comply with investment guidelines,
- Comply with reporting requirements, or
- Maintain a stable organization and retain key relevant investment professionals.

There are no hard and fast rules for termination of an investment manager. However, if the investment manager has consistently failed to meet one or more of the above criteria, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the investment within a reasonable time is grounds for termination.

Any recommendation to terminate an investment will be treated on an individual basis and will not be made solely based on quantitative data. In addition to those above, other factors may include, but are not limited to, professional staff turnover, client turnover, or material change to investment processes. An investment may also be terminated for any reason the Committee deems prudent to enhance the investment line-up structure. Considerable judgment must be exercised in the termination decision process.

An investment may be terminated using one of the following approaches:

- Remove and replace (map assets) the terminated investment with a new or existing investment.
- Phase out the terminated investment over a specific time period. Remove the terminated investment and do not provide a replacement investment.

Replacement of a terminated investment would follow the selection criteria outlined under Appendix III.

Appendix IV: Investment Committee and Service Provider Information

Effective as of _____July 1, 2024_____

The Members of the Investment Committee are as follows:

Name or Title _____

Name or Title _____

Name or Title _____

Investment Committee Chairman Name or Title _____

Plan Trustee The Pension Committee of the Town of North Branford

Plan Custodian Charles Schwab Trust Company

Plan Investment Advisor USI Advisors Inc.

Adoption of Investment Policy

Date of Adoption by Investment Committee _____July 1, 2024_____

Signed by:

By: Anthony P. Esposito Jr.
ACADDF841D17D4FT...

Printed Name: Anthony P. Esposito Jr.

Title: Treasurer/Finance Director

Authorized Signer of the Investment Committee for North Branford Employees' Pension Plan, the North Branford Police Pension Plan, and The Merit Services Retirement Plan for Volunteer Fire/Ambulance Personnel

By: _____

Printed Name: _____

Title: _____

Authorized Signer of the Investment Committee for North Branford Employees' Pension Plan, the North Branford Police Pension Plan, and The Merit Services Retirement Plan for Volunteer Fire/Ambulance Personnel

This draft Investment Policy Statement provided by USI Advisors, Inc. is not intended to constitute legal or tax advice. Neither USI Advisors, Inc., its employees, agents nor affiliates can provide legal or tax advice. It is recommended that this draft document be reviewed by an attorney knowledgeable in this specific area of the law. Any change to this Investment Policy Statement should be communicated in writing and on a timely basis to all interested parties. If any term or condition of this Investment Policy Statement conflicts with any trust and/or plan document, the document shall control, to the extent consistent with applicable law.

Town of North Branford

Merit Service Retirement Plan for Volunteer Firefighters and Volunteer Ambulance Personnel

Actuarial Valuation as of July 1, 2024
To Determine Funding for Fiscal Year 2025-26

Prepared by

Scott Lindberg, FSA
Consulting Actuary



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Certification

As part of our engagement with the Town of North Branford ("Town"), we have performed an actuarial valuation of the Plan as of July 1, 2024. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2025-26, to review the Plan's experience since the prior valuation, and to assess the funded position of the Plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in this report have been made on a basis consistent with our understanding of the Plan's funding policy and on our understanding of the plan provisions as summarized in this report. Determinations for purposes other than meeting these requirements, such as for financial reporting in accordance with GASB standards, may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

We believe that the measures of funded status contained herein are appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations and for assessing the need for or the amount of future contributions. Note that a Plan's funded status is dependent on the selection of both the actuarial cost method and the asset smoothing method; different measurements would result if, for instance, the Market Value of Assets were used in place of the Actuarial Value of Assets.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Town, who is responsible for selecting the Plan's funding policy, actuarial cost methods, asset valuation methods, and actuarial assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Town is solely responsible for communicating to Milliman any changes thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic 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 or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Certification (continued)

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Town. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the use and benefit of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Scott Lindberg, FSA
Consulting Actuary

i. Summary of Principal Results

Actuarial Valuation for Plan Year Beginning	July 1, 2023	July 1, 2024
Membership		
Active Members	101	99
Terminated Members	21	20
Members in Pay Status	40	42
Total Count	162	161
Assets and Liabilities		
Market Value of Assets	\$3,312,928	\$3,862,261
Actuarial Value of Assets	3,497,358	3,896,291
Accrued Liability for Active Members	4,498,057	4,661,367
Accrued Liability for Terminated Members	586,891	624,250
Accrued Liability for Members in Pay Status	<u>1,950,621</u>	<u>2,204,514</u>
Total Accrued Liability	7,035,569	7,490,131
Unfunded Accrued Liability	3,538,211	3,593,840
Funded Ratio	49.7%	52.0%
Actuarially Determined Contribution		
For Fiscal Year	2024-25	2025-26
Normal Cost	\$99,924	\$101,520
Past Service Cost	252,533	267,789
Interest	<u>22,910</u>	<u>24,005</u>
Actuarially Determined Contribution	375,367	393,314

ii. Changes Since the Prior Valuation

Plan Experience

From July 1, 2023 to July 1, 2024, the plan's assets earned 11.03% on a Market Value basis and 6.26% on an Actuarial Value basis. The interest rate assumption for this period was 6.50%; the result is an asset gain of about \$0.2 million on a Market Value basis and a loss of about \$9,000 on an Actuarial Value basis.

From July 1, 2023 to July 1, 2024, the Accrued Liability was expected to grow from \$7.0 million to \$7.4 million, based on expected changes in the plan's membership per the actuarial assumptions. Actual changes in the plan's membership during this period resulted in an Accrued Liability as of July 1, 2024 of \$7.5 million (measured before any changes in the plan provisions or the actuarial methods and assumptions). This difference of \$95,000 between the expected Accrued Liability and the actual Accrued Liability is termed a 'liability loss'. The primary factors contributing to this liability loss were: (1) a modest loss from new entrants and rehires; (2) a small loss from mortality experience, with fewer deaths than expected; and (3) a small gain from higher terminations and retirements than expected.

Plan Changes

None.

Changes in Actuarial Assumptions

None.

Changes in Actuarial Methods

None.

Other Significant Changes

None.

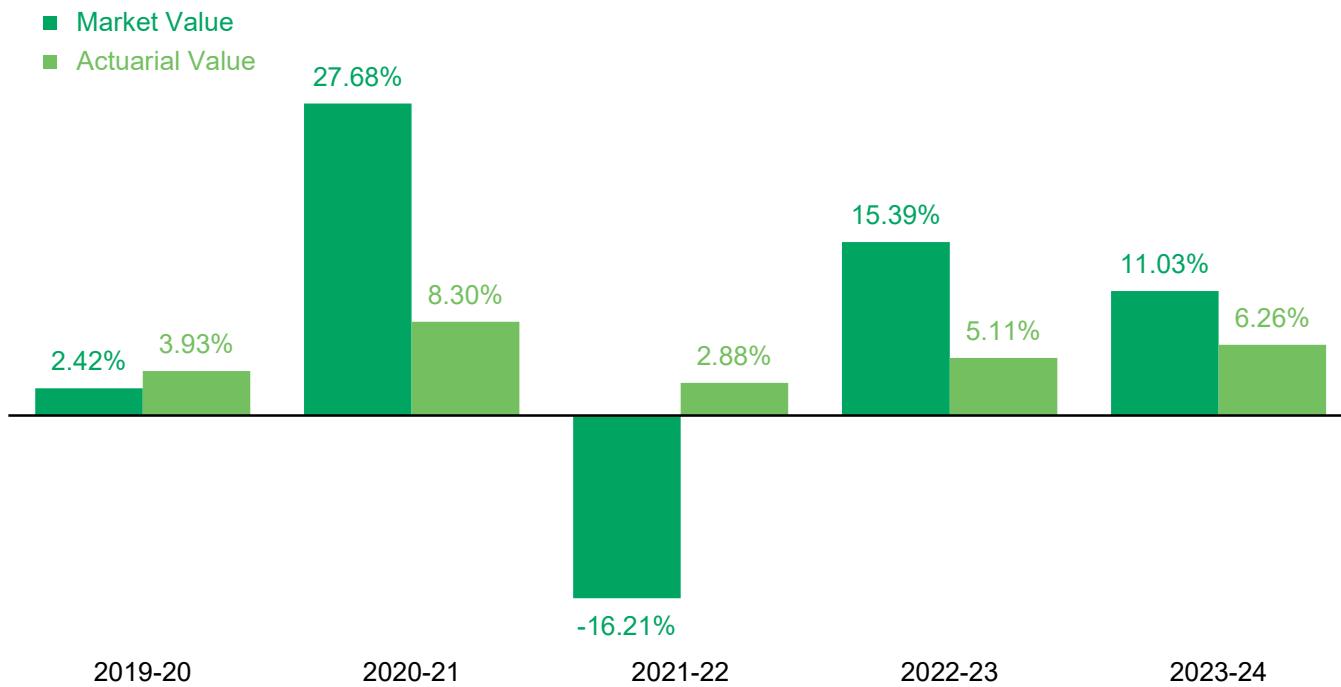
iii. Asset Performance

There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses asymptotically over five years.

	Market Value	Actuarial Value
Value as of July 1, 2023	\$3,312,928	\$3,497,358
Town Contributions and Member Contributions	389,805	389,805
Investment Income	374,890	224,490
Benefit Payments and Administrative Expenses	(215,362)	(215,362)
Value as of July 1, 2024	3,862,261	3,896,291

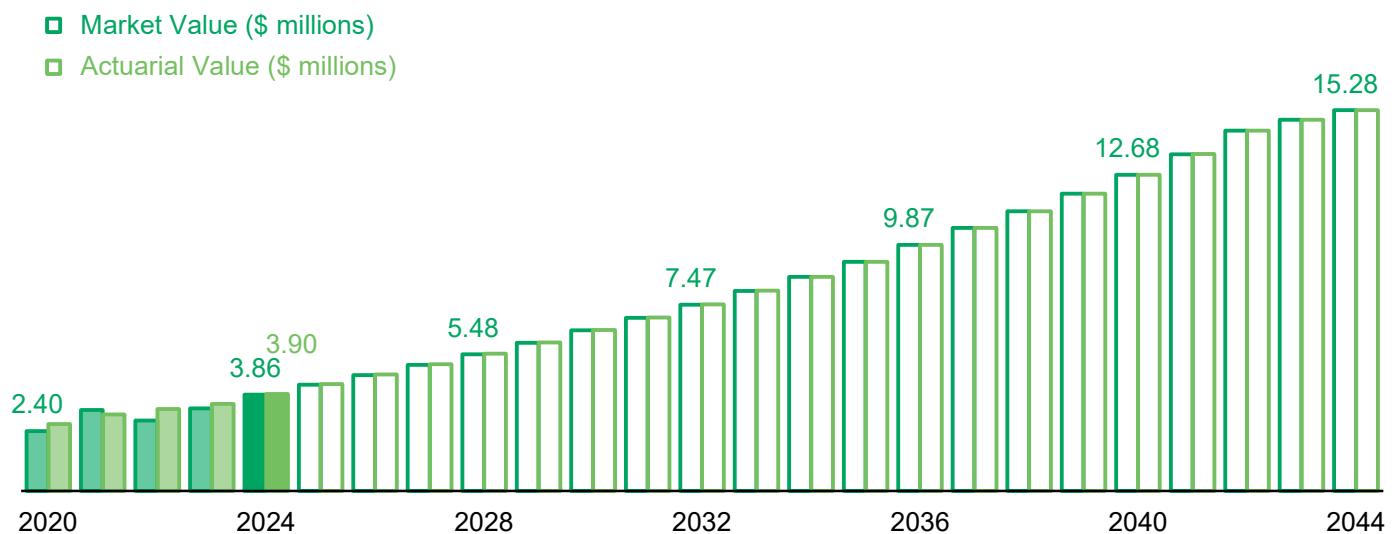
The Actuarial Value currently exceeds the Market Value by \$34,000. This figure represents investment losses that will be gradually recognized in future years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

Historical rates of return are shown in the graph below:

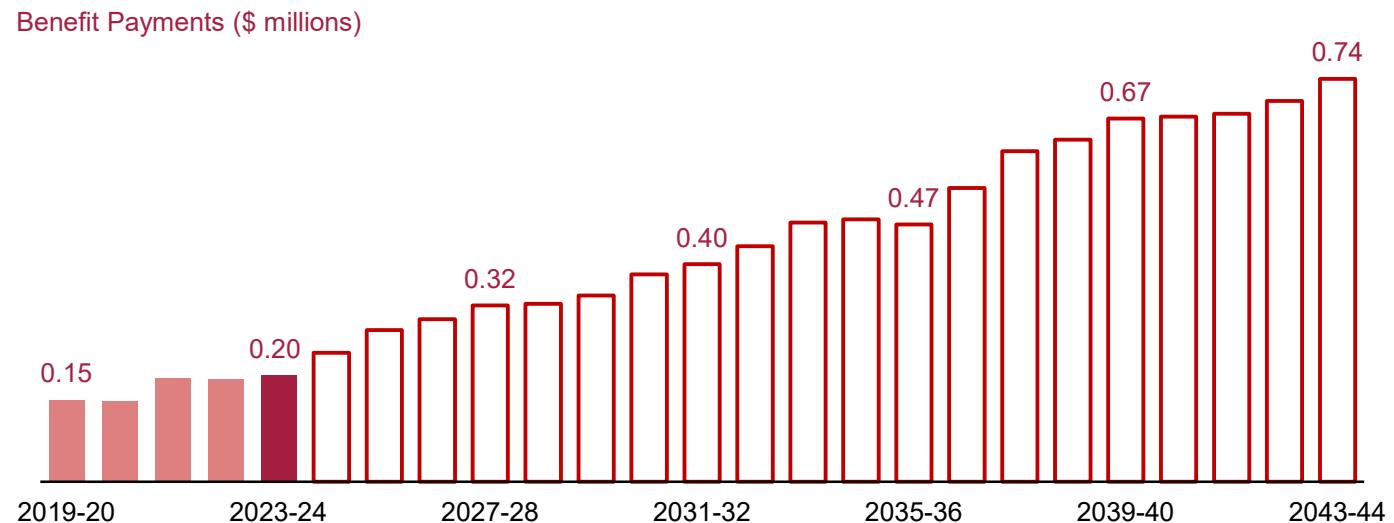


iv. Asset Forecast

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2023-24, the plan paid out \$0.2 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$10 million in benefits to members.

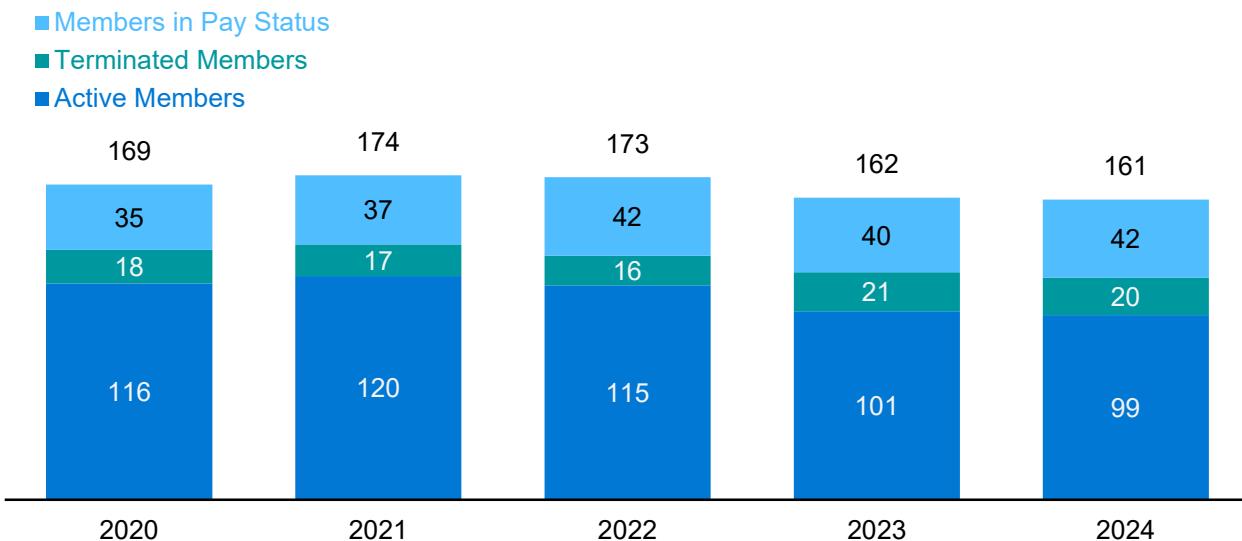


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

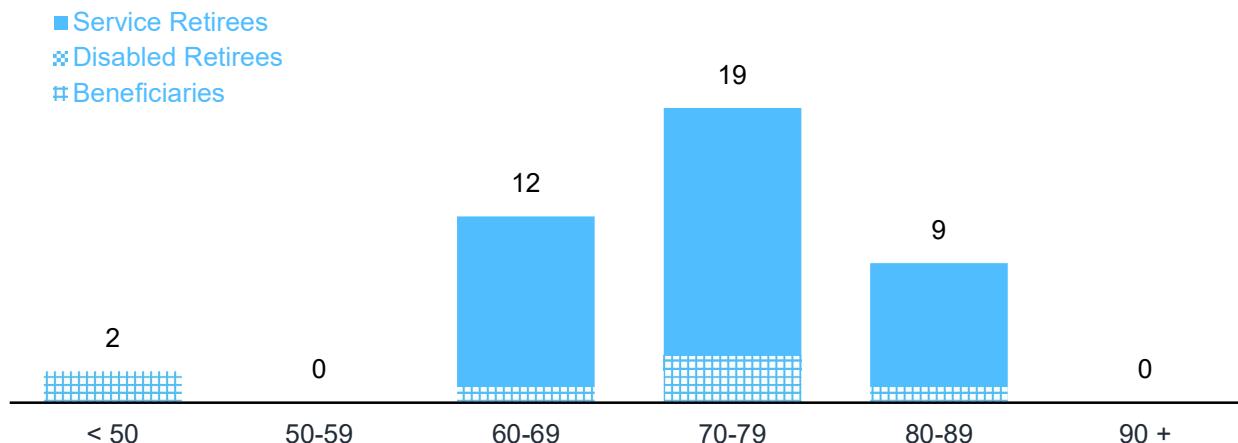
There are three basic categories of plan members included in the valuation: (1) active volunteers who have met the eligibility requirements for membership, (2) members who are currently receiving monthly pension benefits, and (3) former volunteers who have a right to benefits but have not yet started collecting.



Members in Pay Status on July 1, 2024

Service Retirees	35	Average Age	72.3
Disabled Retirees	0	Total Annual Benefit	\$216,268
Beneficiaries	7	Average Annual Benefit	5,149
Total	42		

The members in pay status fall across a wide distribution of ages:



v. Membership (continued)

Terminated Vested Members on July 1, 2024

Count	20
Average Age	54.1
Total Annual Benefit	\$94,486
Average Annual Benefit	4,724

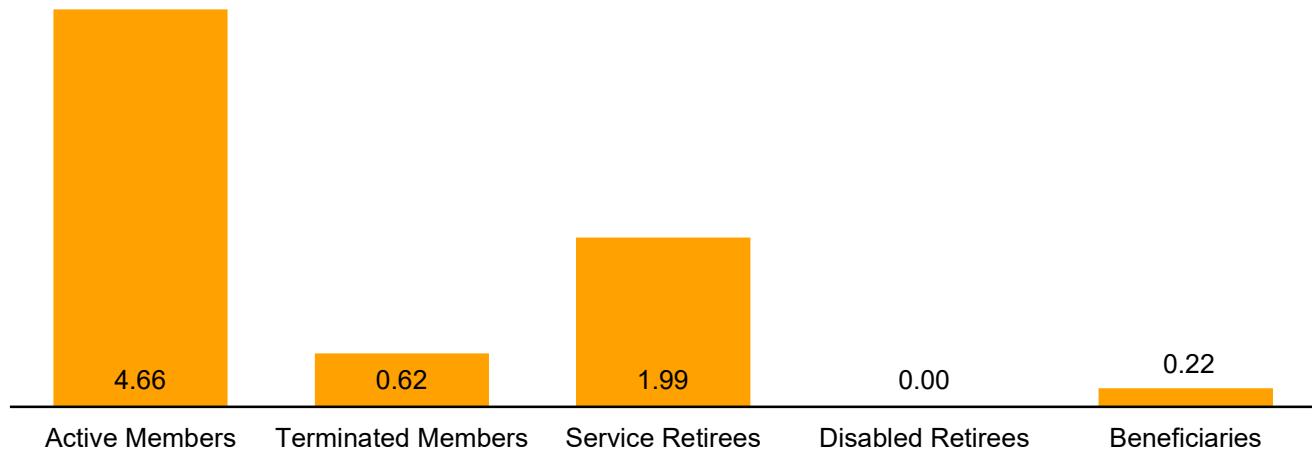
Active Members on July 1, 2024

Count	99
Average Age	41.9
Average Service	16.4

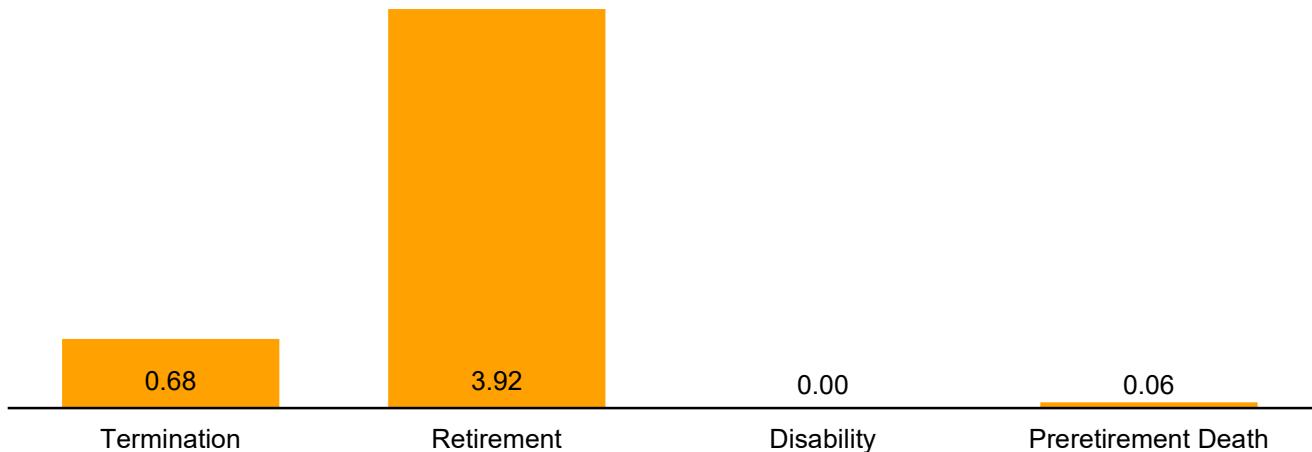
Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	12	3						15
25-29	2	7	1					10
30-34	2	7	5	1				15
35-39	1			3	1			5
40-44	1	1	1	3	1			7
45-49	1			5	3	2		11
50-54	2	4	1	1		1	5	14
55-59		2		2	2	1	5	12
60-64		2		1	2	1	3	9
65+		1						1
Total	21	27	8	16	9	5	13	99

vi. Accrued Liability

The Accrued Liability as of July 1, 2024 equals \$7,490,131, which consists of the following pieces (in \$ millions):

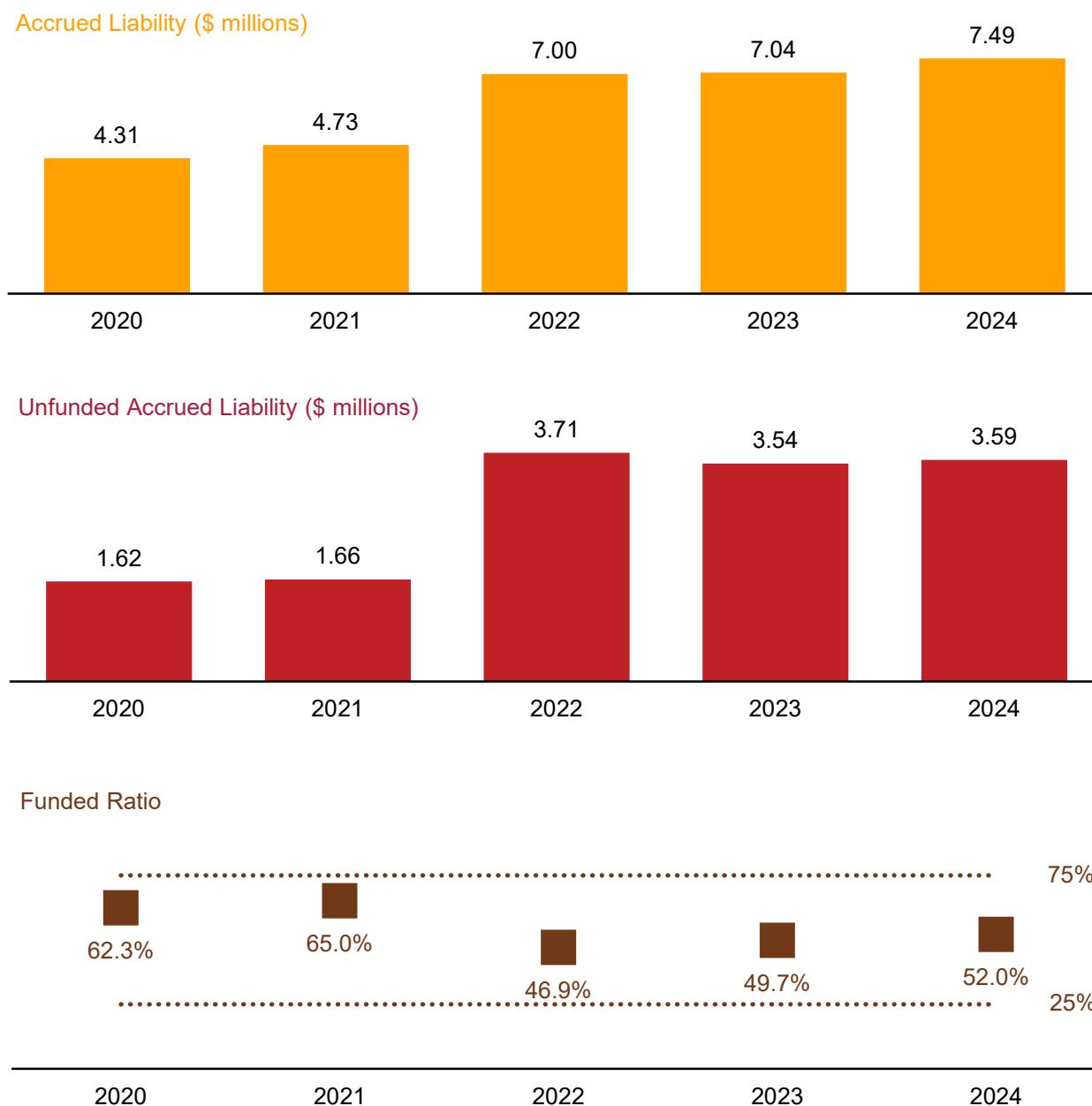


The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:



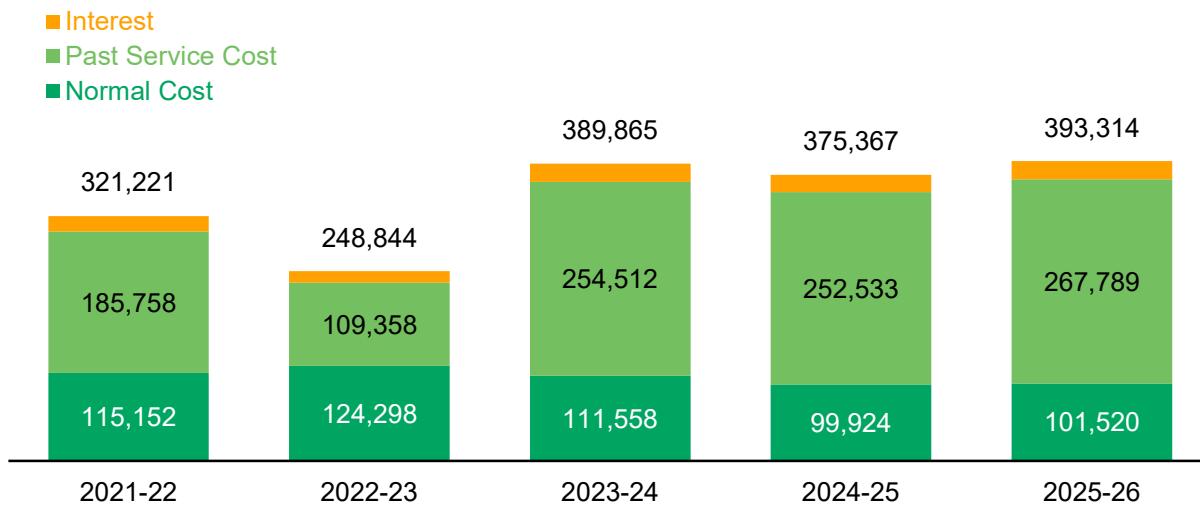
vii. Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members in pay status receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.



viii. Actuarially Determined Contribution (ADC)

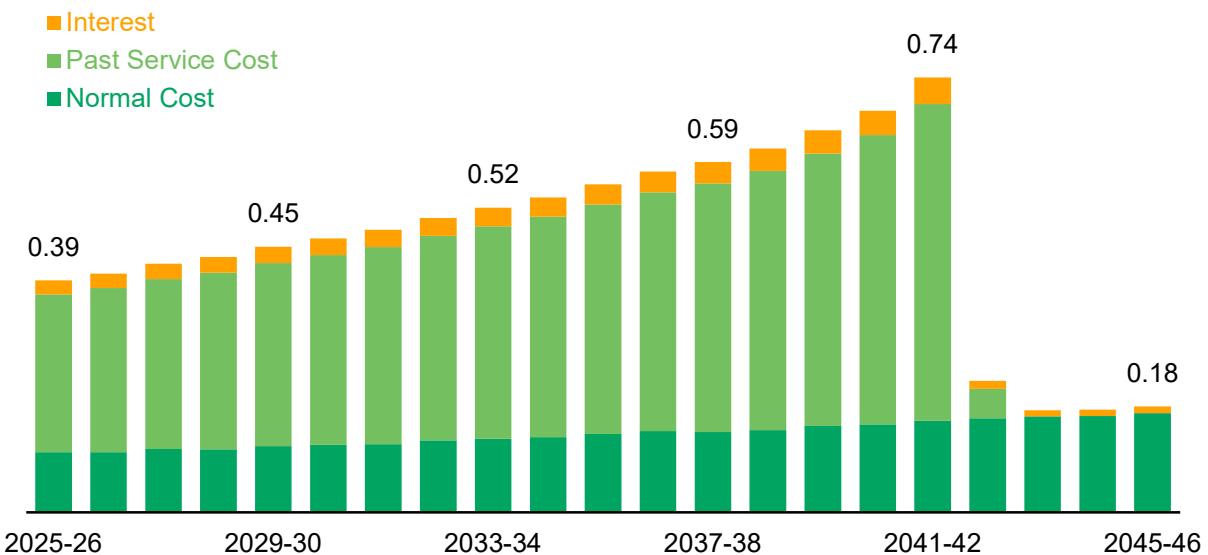
The ADC consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the time lag between the valuation date and the date contributions are paid. The ADC for fiscal year 2025-26 is \$393,314. The ADC for the past five years is shown below:



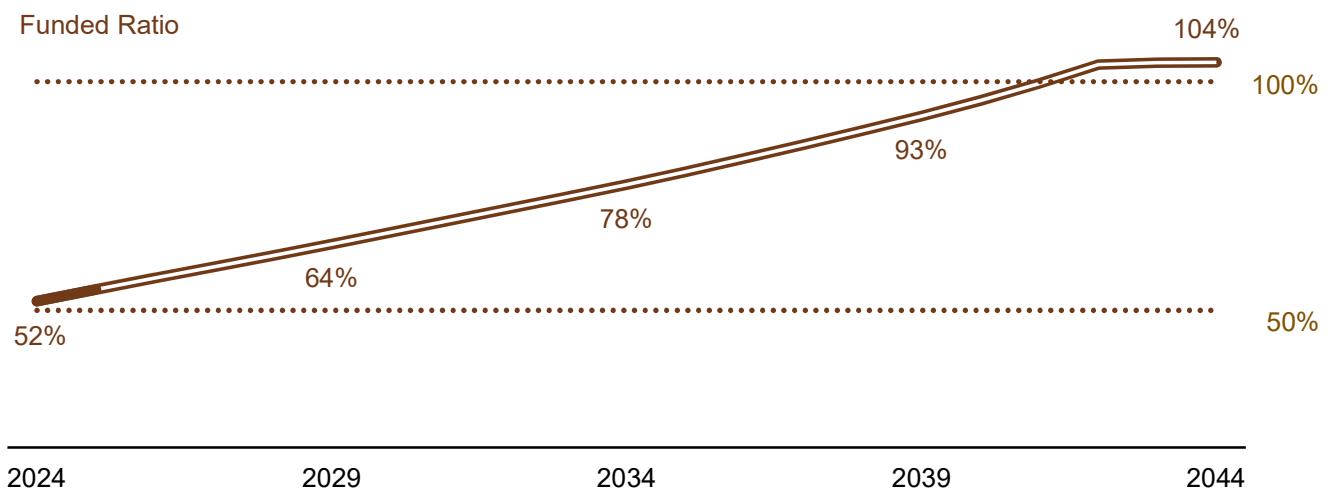
Actuarial Standard of Practice (ASOP) No. 4 requires the actuary to calculate and disclose a 'reasonable' ADC, which considers whether the actuarial methods and actuarial assumptions are in compliance with all applicable ASOPs. Based on the actuarial assumptions and methods used in this report, we believe the ADC meets this standard and reflects a balance among benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic costs.

ix. Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following long-range Actuarially Determined Contributions (in \$ millions):



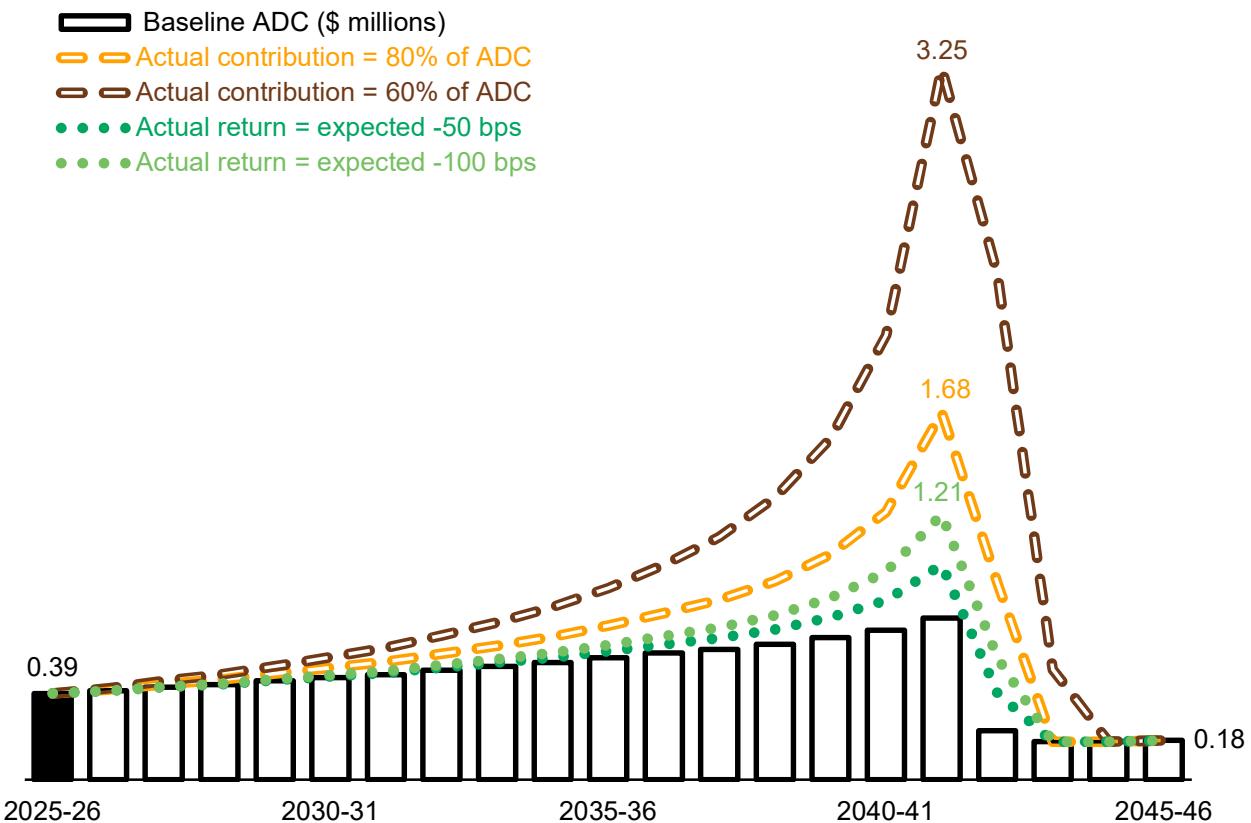
On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2042. Over time, the funded ratio is expected to change as follows:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

ix. Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the Town and from active members, and investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



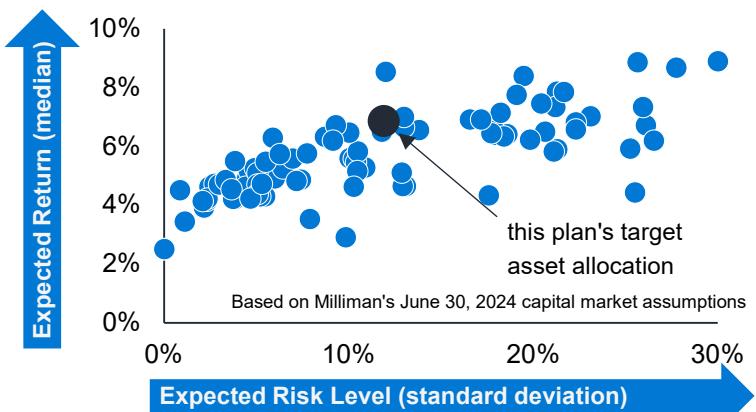
The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

x. Asset Allocation Considerations

Monies that flow out of a pension plan (benefits and expenses) must be matched over the long term by monies that flow into the plan (contributions and investment income). This is expressed in a classic equation: **B** (benefits) + **E** (expenses) = **C** (contributions) + **I** (investment income).

Actuarial assumptions enable us to anticipate the long-term levels of **B** (benefits) and **E** (expenses) that will be paid out of the plan. In order to determine the appropriate level of **C** (contributions) that should come in to the plan, we must first anticipate the long-term level of **I** (investment income) the plan is likely to receive. That is why, for purposes of determining future funding levels, we measure **this** plan's liability using the long-term rate of investment returns **this** plan's portfolio is expected to generate.

Pension plans construct their portfolios by allocating assets across a wide range of asset classes with different risk and return profiles; the graph includes nearly 100 asset classes that pension plans invest in. As the graph illustrates, asset classes with higher expected returns also have higher risk levels; that is, a higher likelihood of experiencing both very good returns and very bad returns. Asset classes with lower expected returns also have lower risk levels.



The plan's target allocation represents a balance. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future Town contributions, but the lower risk levels would result in lower year-over-year volatility in the Actuarially Determined Contribution and might provide more benefit security for plan members. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future Town contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan members.

In the graph above, the asset class with the lowest risk level is US Cash, and the asset class with the highest risk level is Private Equity. If the plan were invested 100% in either of these extremes, it would impact the interest rate assumption and therefore the Accrued Liability, Funded Ratio, and ultimately the Town's annual contributions; the volatility of the contributions would also change based on the risk level of the portfolio:

	100% US Cash *	Plan's Interest Rate Assumption	100% Private Equity
Expected long-term return (median)	3.4%	6.50%	8.9%
Expected risk level (standard deviation)	1.1%	11.9%	30.0%
Accrued Liability on July 1, 2024 **	\$11.6 million	\$7.5 million	\$5.3 million
Funded Ratio on July 1, 2024 ***	34%	52%	73%

* This would be considered a "low-default-risk obligation measure" (LDROM) using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate; the plan's duration on the valuation date, as measured for GASB 68 purposes, was used to estimate the impact of the interest rate difference relative to the valuation interest rate assumption.

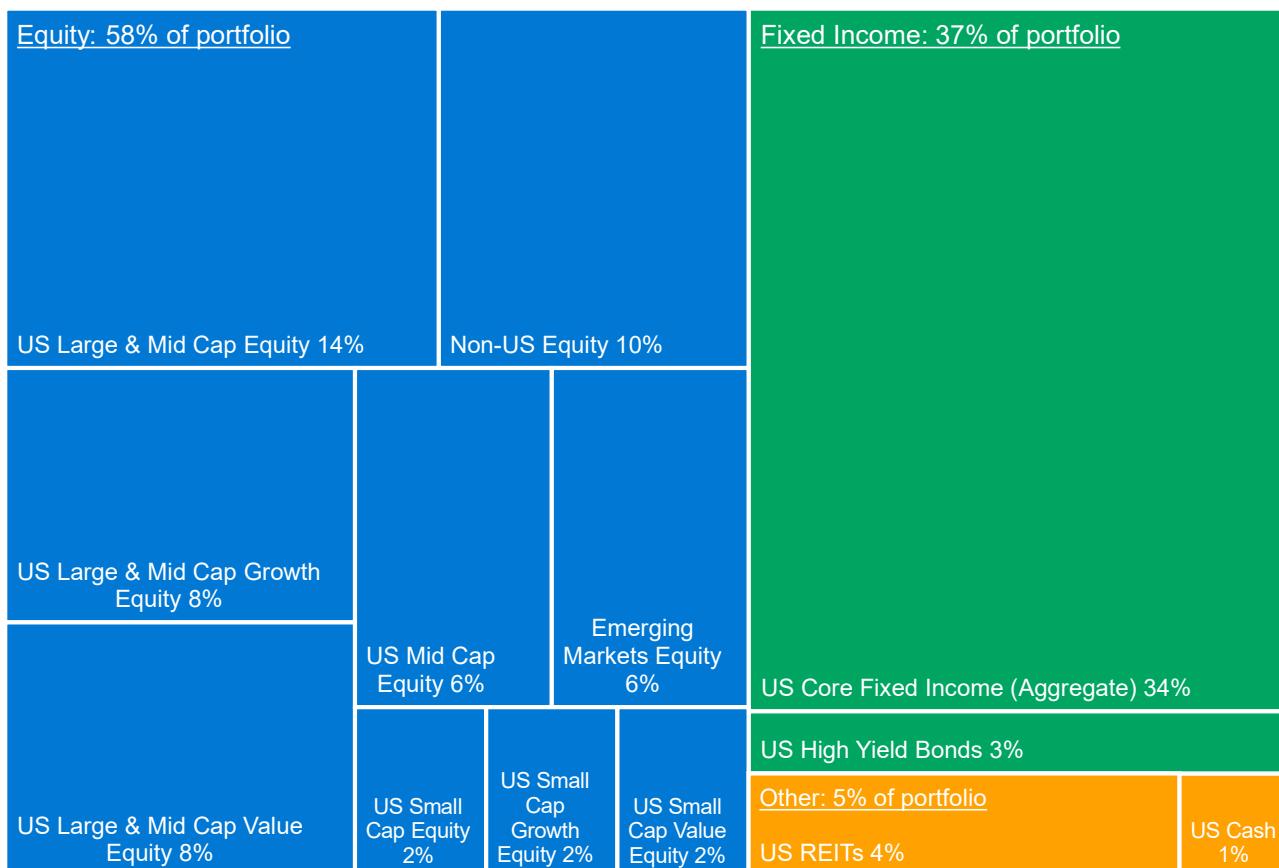
*** Measured using the Actuarial Value of Assets

1. Summary of Fund Transactions

Market Value as of July 1, 2023	\$3,312,928
Town Contributions	389,805
Member Contributions	0
Net Investment Income	374,890
Benefit Payments	(195,285)
Administrative Expenses	(20,077)
Market Value as of June 30, 2024	3,862,261
Expected Return on Market Value of Assets	220,923
Market Value (Gain)/Loss	(153,967)
Approximate Rate of Return *	11.03%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the year.

Target Asset Allocation as of June 30, 2024



2. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses asymptotically over a five year period. The Actuarial Value of Assets as of July 1, 2024 is determined below.

1.	Expected Actuarial Value of Assets:	
	a. Actuarial Value of Assets as of July 1, 2023	\$3,497,358
	b. Town Contributions and Member Contributions	389,805
	c. Benefit Payments and Administrative Expenses	(215,362)
	d. Expected Earnings Based on 6.50% Interest	<u>232,998</u>
	e. Expected Actuarial Value of Assets as of July 1, 2024	3,904,799
2.	Market Value of Assets as of July 1, 2024	3,862,261
3.	Amount Recognized as of July 1, 2024: 20% of [(2) - (1e)]	(8,508)
4.	Actuarial Value of Assets as of July 1, 2024: (1e) + (3)	3,896,291
5.	Approximate Rate of Return on Actuarial Value of Assets	6.26%

3. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting July 1, 2021.

	July 1, 2023	July 1, 2024
1. Accrued Liability		
Active Members	\$4,498,057	\$4,661,367
Terminated Members	586,891	624,250
Service Retirees	1,731,889	1,986,729
Disabled Retirees	0	0
Beneficiaries	<u>218,732</u>	<u>217,785</u>
Total	7,035,569	7,490,131
2. Actuarial Value of Assets (see Exhibit 2)	3,497,358	3,896,291
3. Unfunded Accrued Liability: (1) - (2)	3,538,211	3,593,840
4. Funded Ratio: (2) / (1)	49.7%	52.0%
5. Amortization Period	18	17
6. Amortization Growth Rate	3.25%	3.25%
7. Past Service Cost: (3) amortized over (5)	252,533	267,789

4. Actuarial Gains / Losses

From one valuation to the next, the Accrued Liability and the Actuarial Value of Assets may change in ways that were not anticipated by the actuarial assumptions that were used in the last valuation. If the Accrued Liability is lower than expected or the Actuarial Value of Assets is higher than expected, we say that the plan has experienced an 'actuarial gain', and if the Accrued Liability is higher than expected or the Actuarial Value of Assets is lower than expected, we say that the plan has experienced an 'actuarial loss'. The actuarial gains / (losses) that arose during 2023-24 are shown below, along with the impact of plan changes and changes in the actuarial assumptions and method. Please see page 4 for more details on any changes since the last valuation.

	Accrued Liability A	Actuarial Value of Assets B	Unfunded Accrued Liability = A - B
1. Value as of July 1, 2023	\$7,035,569	\$3,497,358	\$3,538,211
2. Normal Cost as of July 1, 2023	97,424		97,424
3. Town Contributions during 2023-24		389,805	(389,805)
4. Member Contributions during 2023-24		0	0
5. Benefit Payments during 2023-24	(195,285)	(195,285)	0
6. Administrative Expenses during 2023-24		(20,077)	20,077
7. One year of interest on (1) thru (2) at 6.50%	463,645	227,328	236,317
8. Half year of interest on (3) thru (6) at 6.50%	(6,347)	5,670	(12,017)
9. Expected value as of July 1, 2024	7,395,006	3,904,799	3,490,207
10. Actual value as of July 1, 2024 before any plan, assumption, or method changes	7,490,131	3,896,291	3,593,840
11. Experience gains / losses: (10) - (9)	95,125	(8,508)	103,633
12. Impact of plan changes (see page 4)	0	0	0
13. Impact of assumption changes (see page 4)	0	0	0
14. Impact of method changes (see page 4)	0	0	0
15. Final value as of July 1, 2024	7,490,131	3,896,291	3,593,840

5. Actuarially Determined Contribution

	2024-25	2025-26
1. Total Normal Cost	\$97,424	\$99,020
2. Expected Administrative Expenses	2,500	2,500
3. Net Normal Cost: (1) + (2)	99,924	101,520
4. Past Service Cost (see Exhibit 3)	252,533	267,789
5. Interest on (3) + (4) assuming payment at the start of the fiscal year	22,910	24,005
6. Actuarially Determined Contribution: (3) + (4) + (5)	375,367	393,314

6. Long Range Funded Status Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
7/1/2024	\$7,490,131	\$3,896,291	\$3,593,840	52.02%
7/1/2025	7,846,000	4,282,000	3,564,000	54.58%
7/1/2026	8,186,000	4,671,000	3,515,000	57.06%
7/1/2027	8,531,000	5,076,000	3,455,000	59.50%
7/1/2028	8,874,000	5,499,000	3,375,000	61.97%
7/1/2029	9,239,000	5,959,000	3,280,000	64.50%
7/1/2030	9,617,000	6,452,000	3,165,000	67.09%
7/1/2031	9,983,000	6,952,000	3,031,000	69.64%
7/1/2032	10,358,000	7,480,000	2,878,000	72.22%
7/1/2033	10,726,000	8,031,000	2,695,000	74.87%
7/1/2034	11,079,000	8,590,000	2,489,000	77.53%
7/1/2035	11,451,000	9,197,000	2,254,000	80.31%
7/1/2036	11,862,000	9,877,000	1,985,000	83.26%
7/1/2037	12,235,000	10,554,000	1,681,000	86.26%
7/1/2038	12,566,000	11,222,000	1,344,000	89.30%
7/1/2039	12,902,000	11,935,000	967,000	92.51%
7/1/2040	13,224,000	12,686,000	538,000	95.94%
7/1/2041	13,568,000	13,518,000	50,000	99.63%
7/1/2042	13,933,000	14,456,000	(523,000)	103.75%
7/1/2043	14,302,000	14,899,000	(597,000)	104.17%

7. Long Range Cash Flow Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Fiscal Year	Town Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2025-26	\$393,314	\$0	(\$278,496)	(\$2,500)	\$112,318
2026-27	405,000	0	(299,000)	(2,500)	103,500
2027-28	421,000	0	(324,000)	(2,500)	94,500
2028-29	433,000	0	(327,000)	(2,500)	103,500
2029-30	450,000	0	(342,000)	(2,500)	105,500
2030-31	465,000	0	(381,000)	(2,500)	81,500
2031-32	479,000	0	(400,000)	(2,500)	76,500
2032-33	499,000	0	(433,000)	(2,500)	63,500
2033-34	517,000	0	(477,000)	(2,500)	37,500
2034-35	534,000	0	(482,000)	(2,500)	49,500
2035-36	556,000	0	(473,000)	(2,500)	80,500
2036-37	578,000	0	(540,000)	(2,500)	35,500
2037-38	594,000	0	(608,000)	(2,500)	(16,500)
2038-39	617,000	0	(630,000)	(2,500)	(15,500)
2039-40	648,000	0	(668,000)	(2,500)	(22,500)
2040-41	681,000	0	(672,000)	(2,500)	6,500
2041-42	737,000	0	(677,000)	(2,500)	57,500
2042-43	223,000	0	(701,000)	(2,500)	(480,500)
2043-44	173,000	0	(741,000)	(2,500)	(570,500)
2044-45	174,000	0	(773,000)	(2,500)	(601,500)

8. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$1,511,924	\$2,603,545	\$1,091,621	58.1%
July 1, 2014	1,667,159	2,807,823	1,140,664	59.4%
July 1, 2015	1,818,792	3,003,590	1,184,798	60.6%
July 1, 2016	1,963,739	3,239,236	1,275,497	60.6%
July 1, 2017	2,109,692	3,414,277	1,304,585	61.8%
July 1, 2018	2,277,527	3,659,988	1,382,461	62.2%
July 1, 2019	2,479,997	4,129,650	1,649,653	60.1%
July 1, 2020	2,686,954	4,309,639	1,622,685	62.3%
July 1, 2021	3,076,048	4,731,541	1,655,493	65.0%
July 1, 2022	3,283,900	6,995,534	3,711,634	46.9%
July 1, 2023	3,497,358	7,035,569	3,538,211	49.7%
July 1, 2024	3,896,291	7,490,131	3,593,840	52.0%

9. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2014-15	\$173,885	\$173,885	N/A	N/A
2015-16	190,992	190,992	N/A	N/A
2016-17	201,510	201,510	N/A	N/A
2017-18	238,104	238,104	N/A	N/A
2018-19	260,605	260,605	N/A	N/A
2019-20	273,182	273,182	N/A	N/A
2020-21	322,512	322,512	N/A	N/A
2021-22	321,221	321,221	N/A	N/A
2022-23	248,844	248,844	N/A	N/A
2023-24	389,865	389,805	N/A	N/A
2024-25	375,367	TBD	N/A	N/A
2025-26	393,314	TBD	N/A	N/A

10. Reconciliation of Membership from Prior Valuation

Details of the changes in the plan's membership since the last valuation are shown below. Additional details on the membership are provided in the following exhibits.

	Active Members	Terminated Vested Members	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2023	101	21	33	0	7	162
Terminated						
- no benefits due	(5)	-	-	-	-	(5)
- refund due	-	-	-	-	-	0
- paid refund	-	-	-	-	-	0
- vested benefits due	(1)	1	-	-	-	0
Retired	(2)	-	2	-	-	0
Died						
- with beneficiary	-	-	-	-	-	0
- no beneficiary	-	-	-	-	-	0
Benefits expired	-	-	-	-	-	0
New member	4	-	-	-	-	4
Rehired	2	(2)	-	-	-	0
New Alternate Payee	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count July 1, 2024	99	20	35	0	7	161

11. Summary of Membership Data

	July 1, 2023	July 1, 2024
1. Active Members		
a. Number	101	99
b. Average Age	41.0	41.9
c. Average Service	15.8	16.4
2. Terminated Vested Members		
a. Number	21	20
b. Total Annual Benefit	\$96,938	\$94,486
c. Average Annual Benefit	4,616	4,724
d. Average Age	52.6	54.1
3. Service Retirees		
a. Number	33	35
b. Total Annual Benefit	\$170,565	\$195,405
c. Average Annual Benefit	5,169	5,583
d. Average Age	74.2	74.7
4. Disabled Retirees		
a. Number	0	0
b. Total Annual Benefit	\$0	\$0
c. Average Annual Benefit	0	0
d. Average Age	0.0	0.0
5. Beneficiaries		
a. Number	7	7
b. Total Annual Benefit	\$20,863	\$20,863
c. Average Annual Benefit	2,980	2,980
d. Average Age	58.9	60.3

12. Distribution of Inactive Membership as of July 1, 2024

	Age	Number	Annual Benefits
Terminated Vested Members			
	< 50	7	\$31,646.76
	50 - 59	6	30,214.32
	60 - 69	7	32,624.64
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	0.00
	Total	20	94,485.72
Service Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	11	84,225.24
	70 - 79	16	74,317.68
	80 - 89	8	36,862.08
	90 +	0	0.00
	Total	35	195,405.00
Disabled Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	0	0.00
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	0.00
	Total	0	0.00
Beneficiaries			
	< 50	2	\$3,775.20
	50 - 59	0	0.00
	60 - 69	1	8,462.76
	70 - 79	3	5,812.08
	80 - 89	1	2,813.16
	90 +	0	0.00
	Total	7	20,863.20

Appendix A - Actuarial Funding Method

Cost Method

The actuarial cost method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the time lag between the valuation date and the date contributions are paid.

The Normal Cost is determined by calculating the present value of future benefits for present Active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination for each individual. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Members in Pay Status and Terminated Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Asset Smoothing Method

The Actuarial Value of Assets is determined by recognizing market gains and losses asymptotically over a five year period.

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Actuarial Value of Assets. This Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting July 1, 2021.

Long-Range Forecast

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. Volunteers who are projected to leave active service are assumed to be replaced by new volunteers with the same age, service, and gender as new volunteers who have joined in the past few years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate	6.50%										
Inflation	2.50%										
Annual Increase in Benefit Multiplier	2.50%										
Amortization Growth Rate	3.25%										
Expenses	\$2,500 per year										
Salary Scale	N/A										
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.										
Turnover	<table> <thead> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>0-4</td> <td>15.0%</td> </tr> <tr> <td>5-9</td> <td>7.5%</td> </tr> <tr> <td>10-14</td> <td>5.0%</td> </tr> <tr> <td>15+</td> <td>2.0%</td> </tr> </tbody> </table>	Service	Rate	0-4	15.0%	5-9	7.5%	10-14	5.0%	15+	2.0%
Service	Rate										
0-4	15.0%										
5-9	7.5%										
10-14	5.0%										
15+	2.0%										
Retirement	All members are assumed to retire on their Normal Retirement Date.										
Disability	None.										
Marital Status	75% of members are assumed to be married with female spouses three years younger than male spouses.										

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Effective Date of Plan	July 1, 1991										
Eligibility	Each member will become a participant as of July 1st following the completion of one year of Eligibility Service.										
Credited Service	For plan years beginning after July 1, 1991, a member shall be credited with a Year of Service for each plan year that the member has earned at least 50 points as certified by his respective volunteer company.										
Normal Retirement Date	Attainment of age 65 and completion of 10 Years of Credited Service and 2 years of participation.										
Normal Retirement Benefit	The following rates are per month for each Year of Credited Service for retirements on or after the effective date:										
<table border="1"> <thead> <tr> <th>Effective Date</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>July 2020</td> <td>\$29.30</td> </tr> <tr> <td>July 2021</td> <td>29.68</td> </tr> <tr> <td>July 2022</td> <td>30.57</td> </tr> <tr> <td>July 2023</td> <td>31.49</td> </tr> </tbody> </table>		Effective Date	Rate	July 2020	\$29.30	July 2021	29.68	July 2022	30.57	July 2023	31.49
Effective Date	Rate										
July 2020	\$29.30										
July 2021	29.68										
July 2022	30.57										
July 2023	31.49										
<hr/> <p>The rate will increase annually based on the Social Security cost of living adjustment, subject to a floor of 1% and a maximum of 3%.</p>											
Early Retirement Date	Attainment of age 55 and completion of 10 Years of Credited Service and 2 years of participation.										
Early Retirement Benefit	The Early Retirement Benefit shall be equal to the Participant's Accrued Benefit to date reduced by 6.6% for each of the first 5 years and 3.3% for each of the next 5 years that Early Retirement precedes Normal Retirement.										
Disability Benefit	The Plan does not provide for benefits as a result of disability. However, effective July 1, 1997, a member who is out of service due to a line of duty injury shall continue to accrue pension points for a period of up to 2 years.										
Normal Form of Annuity	Life Annuity.										
Vesting	10 Years of Credited Service and completion of 2 years of participation.										

Appendix C - Summary of Plan Provisions

Pre-Retirement Spouse's Benefit Eligibility	If a married participant dies after being credited with 10 Years of Credited Service and is survived by a spouse.
Pre-Retirement Spouse's Death Benefit	100% Joint & Survivor Annuity. The benefit will commence on the earliest date that the deceased member could have received a benefit.
	If an unmarried participant dies after being credited with 10 Years of Credited Service, his/her designated beneficiary shall receive a benefit as though the participant had retired early and elected a lifetime pension with 120 payments guaranteed. The benefit will commence on the earliest date that the deceased member could have received a benefit.

Appendix D - Risk Disclosure - Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

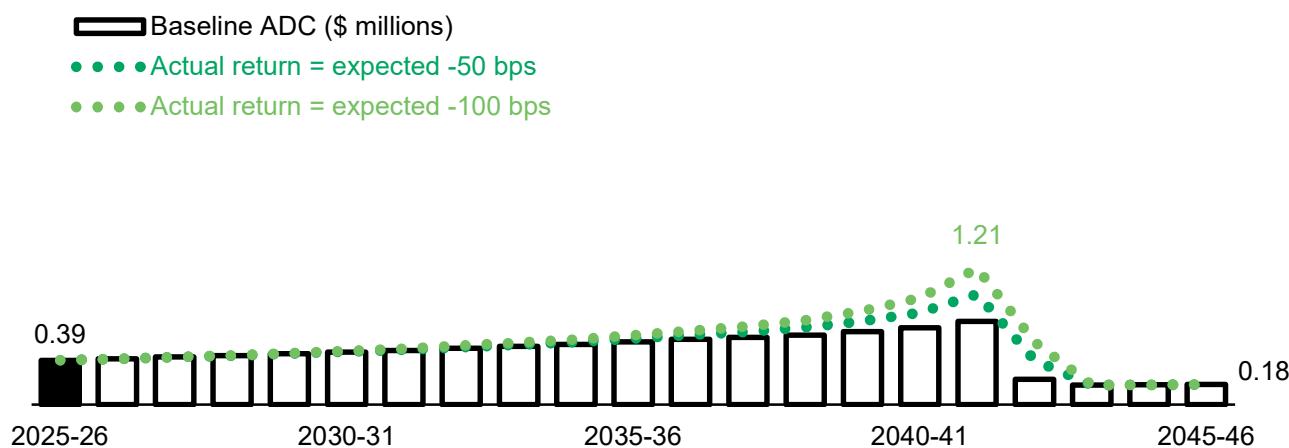
Please see Appendix A for more information on the basis for the projected results shown on the following pages.

Appendix D - Risk Disclosure - Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

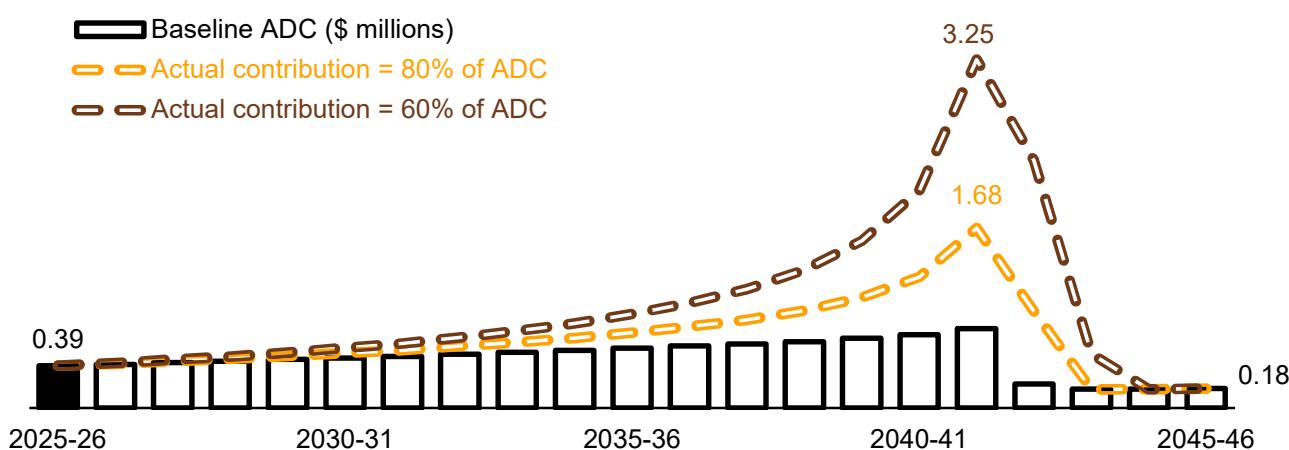
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 10 years, actual contributions have been 100% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Appendix D - Risk Disclosure - Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

Identification: In 2023-24, the plan had positive cash flow, with town contributions and member contributions to the plan of \$389,805 compared to \$215,362 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the liability for active members.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Appendix D - Risk Disclosure - Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

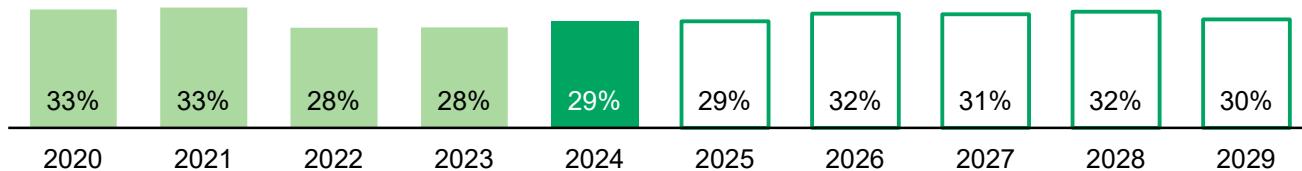
Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contribution, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

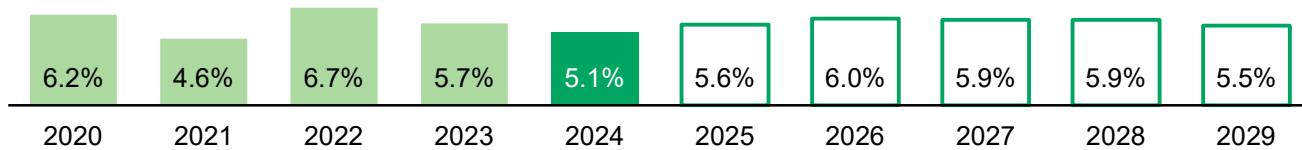
Appendix D - Risk Disclosure - Maturity Metrics

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

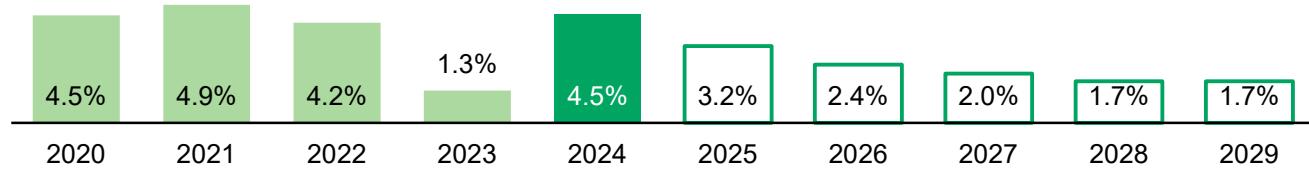
Accrued Liability for Members in Pay Status compared to total Accrued Liability



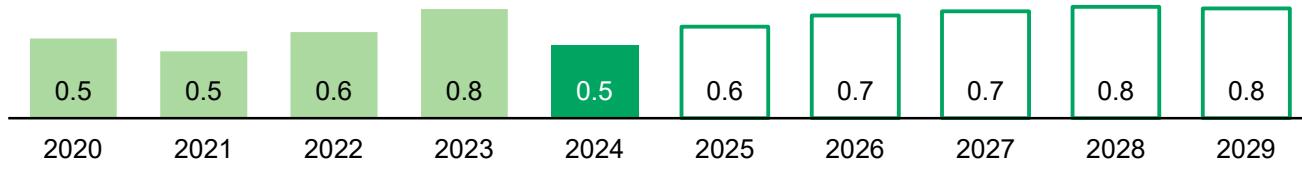
Benefit Payments compared to Market Value of Assets



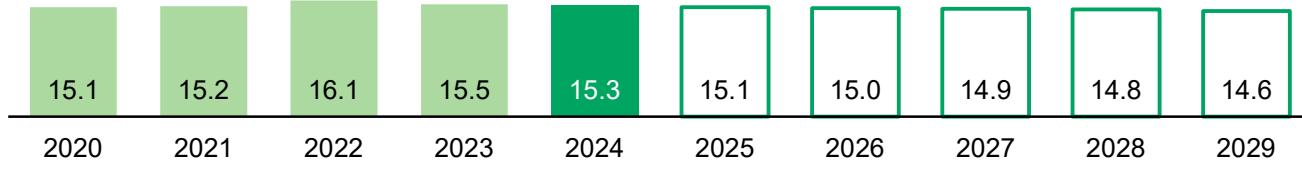
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



Appendix E - Glossary

Actuarial Cost Method	This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Accrued Liability and the Normal Cost.
Accrued Liability	This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).
Actuarial Assumptions	With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.
Actuarial Present Value of Benefits	This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.
Actuarial Value of Assets	This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.
Attribution Period	The period of an active member's service to which the expected benefit obligation for that member is assigned. The beginning of the attribution period is the member's date of hire and costs are spread across all service.
Interest Rate	This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.
Normal Cost	This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.
Past Service Cost	This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.
Return on Plan Assets	This is the actual investment return on plan assets during the fiscal year.
Unfunded Accrued Liability	This is the excess of the Accrued Liability over the Actuarial Value of Assets.

Town of North Branford Retirement Plan for Police Employees

Actuarial Valuation as of July 1, 2024
To Determine Funding for Fiscal Year 2025-26

Prepared by

Scott Lindberg, FSA

Consulting Actuary

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Certification

As part of our engagement with the Town of North Branford ("Town"), we have performed an actuarial valuation of the Plan as of July 1, 2024. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2025-26, to review the Plan's experience since the prior valuation, and to assess the funded position of the Plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in this report have been made on a basis consistent with our understanding of the Plan's funding policy and on our understanding of the plan provisions as summarized in this report. Determinations for purposes other than meeting these requirements, such as for financial reporting in accordance with GASB standards, may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

We believe that the measures of funded status contained herein are appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations and for assessing the need for or the amount of future contributions. Note that a Plan's funded status is dependent on the selection of both the actuarial cost method and the asset smoothing method; different measurements would result if, for instance, the Market Value of Assets were used in place of the Actuarial Value of Assets.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Town, who is responsible for selecting the Plan's funding policy, actuarial cost methods, asset valuation methods, and actuarial assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Town is solely responsible for communicating to Milliman any changes thereto. All Costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic 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 or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Certification (continued)

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Town. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the use and benefit of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Scott Lindberg, FSA
Consulting Actuary

i. Summary of Principal Results

Actuarial Valuation for Plan Year Beginning	July 1, 2023	July 1, 2024
Membership		
Active Members	13	13
Terminated Members	1	1
Members in Pay Status	<u>15</u>	<u>14</u>
Total Count	29	28
Payroll	\$1,676,266	\$1,663,612
Assets and Liabilities		
Market Value of Assets	\$6,423,442	\$7,816,037
Actuarial Value of Assets	6,695,463	7,773,871
Accrued Liability for Active Members	5,319,350	5,818,075
Accrued Liability for Terminated Members	118,036	125,867
Accrued Liability for Members in Pay Status	<u>6,451,653</u>	<u>6,285,617</u>
Total Accrued Liability	11,889,039	12,229,559
Unfunded Accrued Liability	5,193,576	4,455,688
Funded Ratio	56.3%	63.6%
Actuarially Determined Contribution		
For Fiscal Year	2024-25	2025-26
Normal Cost	\$199,831	\$200,961
Past Service Cost	790,046	788,919
Interest	<u>34,152</u>	<u>34,152</u>
Actuarially Determined Contribution	1,024,029	1,024,032

ii. Changes Since the Prior Valuation

Plan Experience

From July 1, 2023 to July 1, 2024, the plan's assets earned 11.59% on a Market Value basis and 6.65% on an Actuarial Value basis. The interest rate assumption for this period was 6.50%; the result is an asset gain of about \$0.3 million on a Market Value basis and a gain of about \$11,000 on an Actuarial Value basis.

From July 1, 2023 to July 1, 2024, the Accrued Liability was expected to grow from \$11.9 million to \$12.5 million, based on expected changes in the plan's membership per the actuarial assumptions. Actual changes in the plan's membership during this period resulted in an Accrued Liability as of July 1, 2024 of \$12.2 million (measured before any changes in the plan provisions or the actuarial methods and assumptions). This difference of \$0.3 million between the expected Accrued Liability and the actual Accrued Liability is termed a 'liability gain'. The primary factors contributing to this liability gain were: (1) a modest gain from salary experience, with lower compensation increases than expected; (2) a modest gain from higher mortality than expected; and (3) a small gain from retirement experience, with fewer retirements than expected.

Plan Changes

None.

Changes in Actuarial Assumptions

None.

Changes in Actuarial Methods

None.

Other Significant Changes

None.

iii. Asset Performance

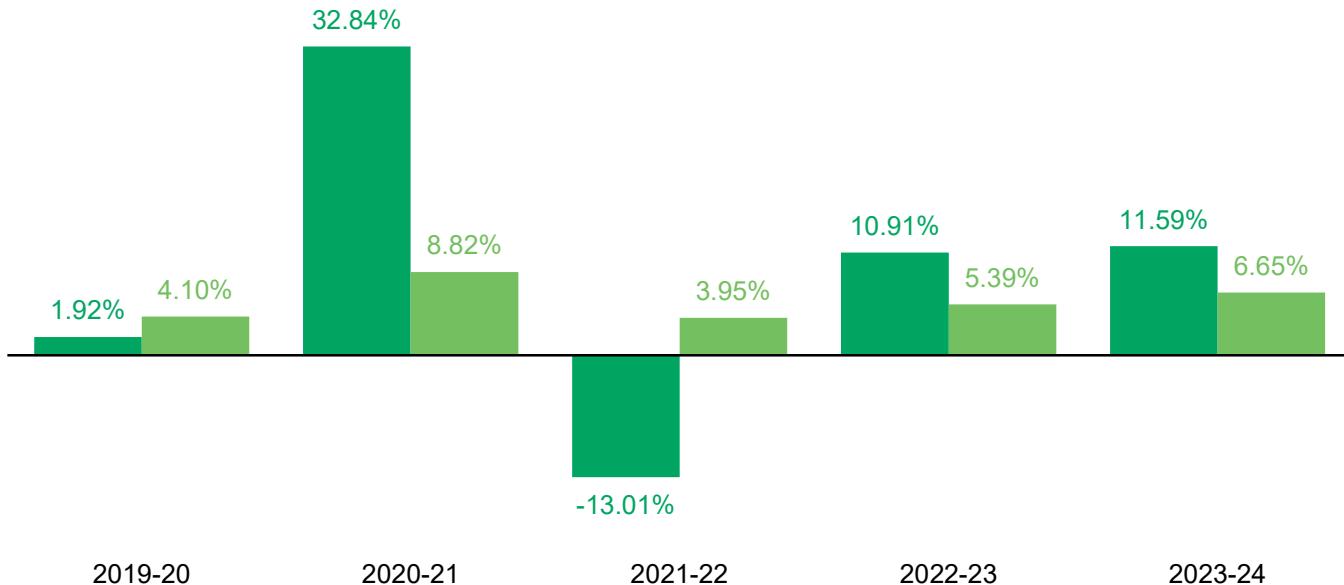
There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses asymptotically over five years.

	Market Value	Actuarial Value
Value as of July 1, 2023	\$6,423,442	\$6,695,463
Town Contributions and Member Contributions	1,158,741	1,158,741
Investment Income	779,847	465,660
Benefit Payments and Administrative Expenses	(545,993)	(545,993)
Value as of July 1, 2024	7,816,037	7,773,871

The Actuarial Value currently is less than the Market Value by \$42,000. This figure represents investment gains that will be gradually recognized in future years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

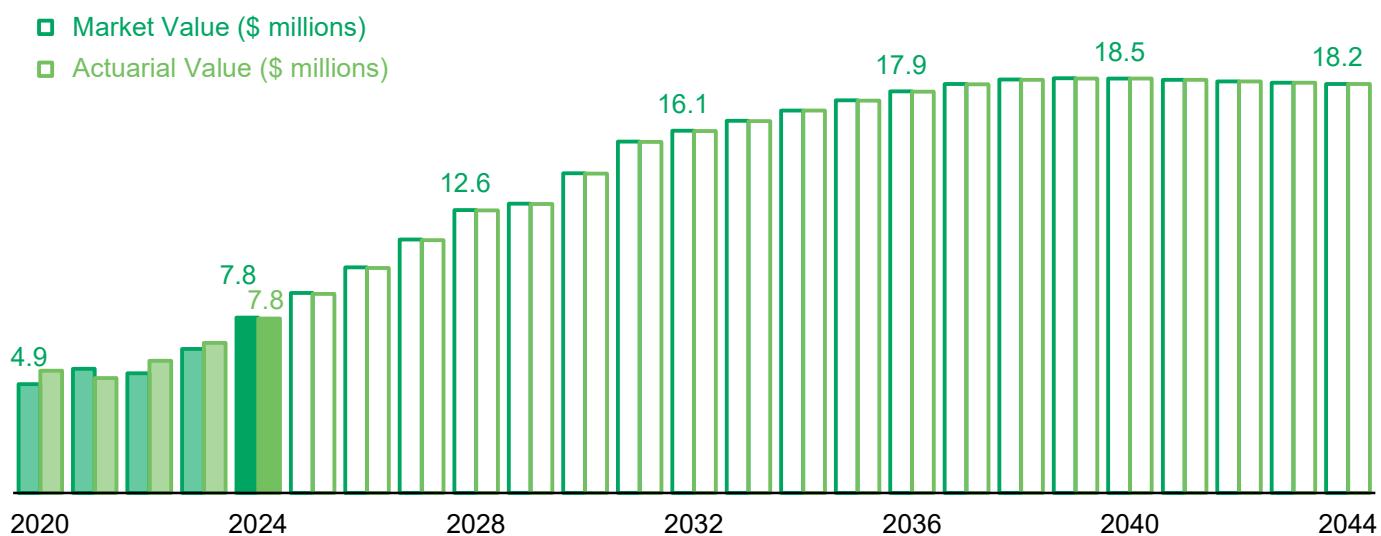
Historical rates of return are shown in the graph below:

- Market Value
- Actuarial Value

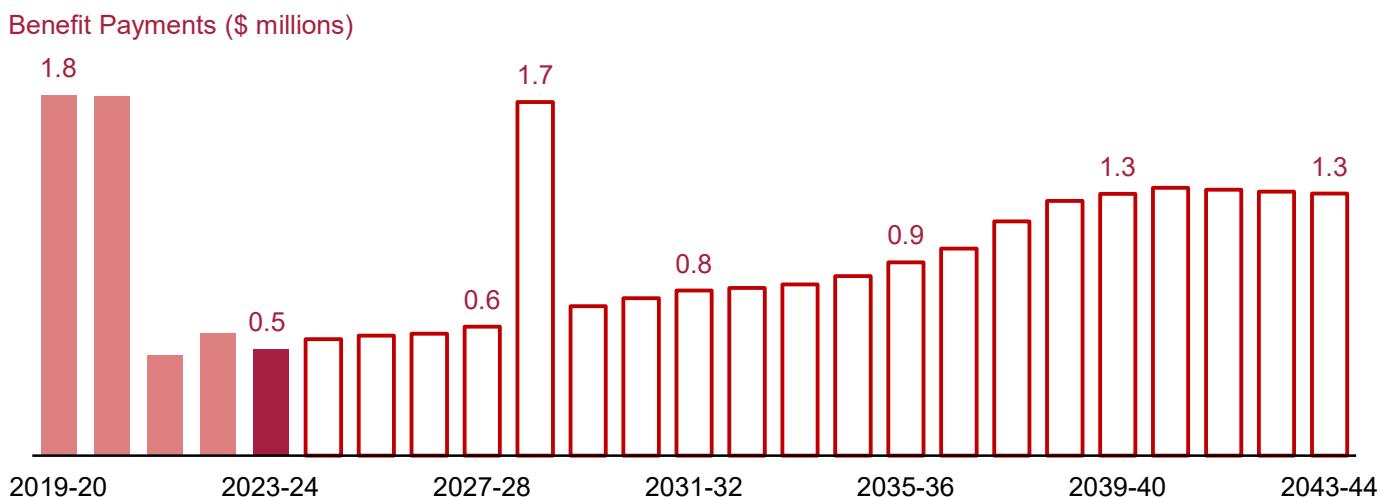


iv. Asset Forecast

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this Projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2023-24, the plan paid out \$0.5 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$20 million in benefits to members. Note there is some unevenness to the plan's projected benefit payments due to the lump sum feature that remains for a few active members.

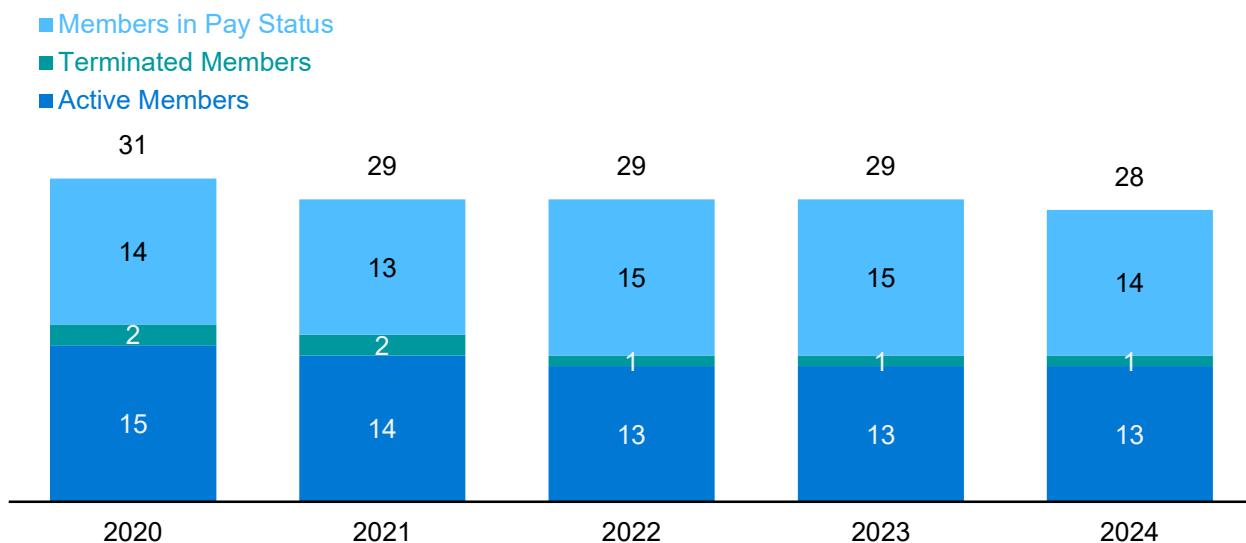


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

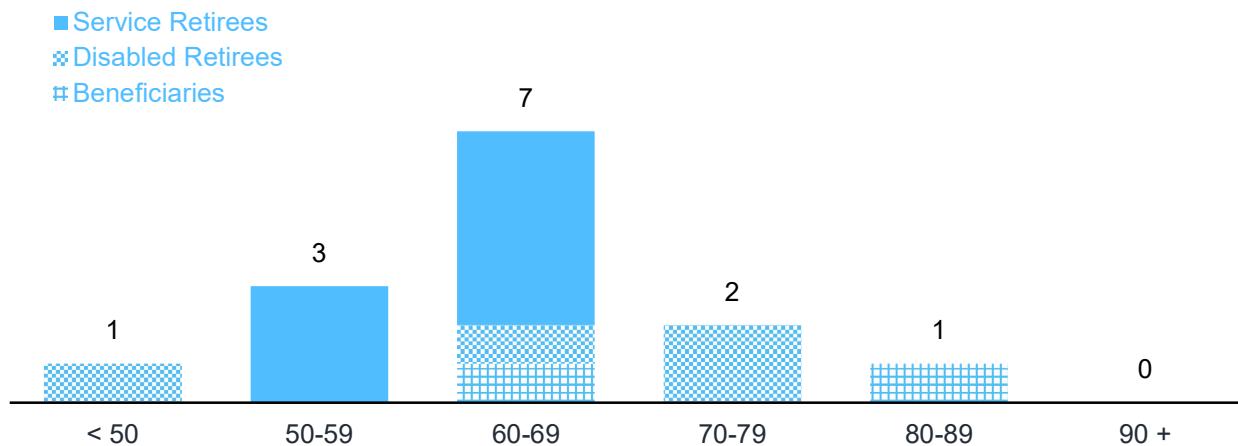
There are three basic categories of plan members included in the valuation: (1) active employees who have met the eligibility requirements for membership, (2) members who are currently receiving monthly pension benefits, and (3) former employees who have a right to benefits but have not yet started collecting.



Members in Pay Status on July 1, 2024

Service Retirees	8	Average Age	64.5
Disabled Retirees	4	Total Annual Benefit	\$521,012
Beneficiaries	2	Average Annual Benefit	37,215
Total	14		

The members in pay status fall across a wide distribution of ages:



v. Membership (continued)

Terminated Vested Members on July 1, 2024

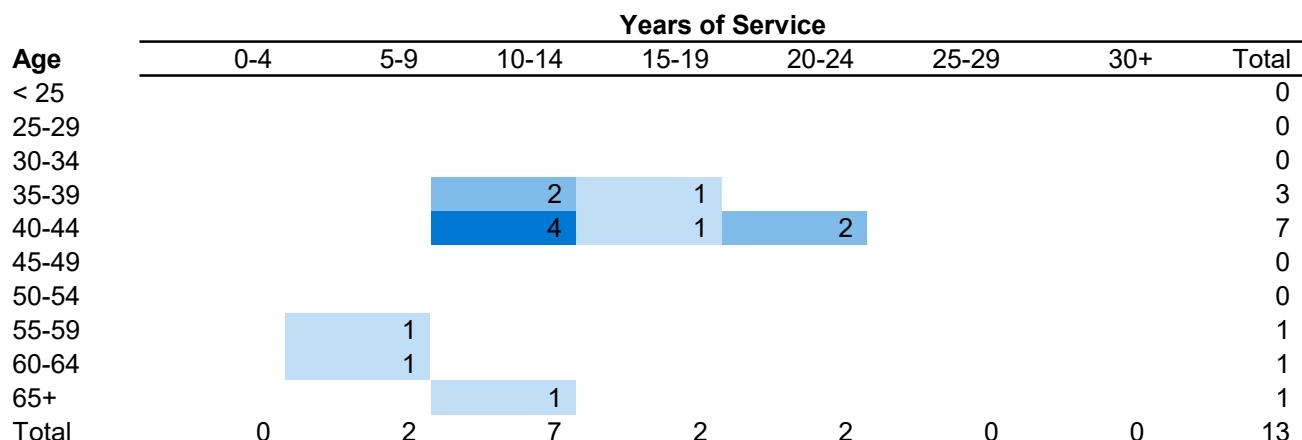
Count	1
Average Age	54.3
Total Annual Benefit	\$10,010
Average Annual Benefit	10,010

Nonvested Members Due Refunds on July 1, 2024

Count	0
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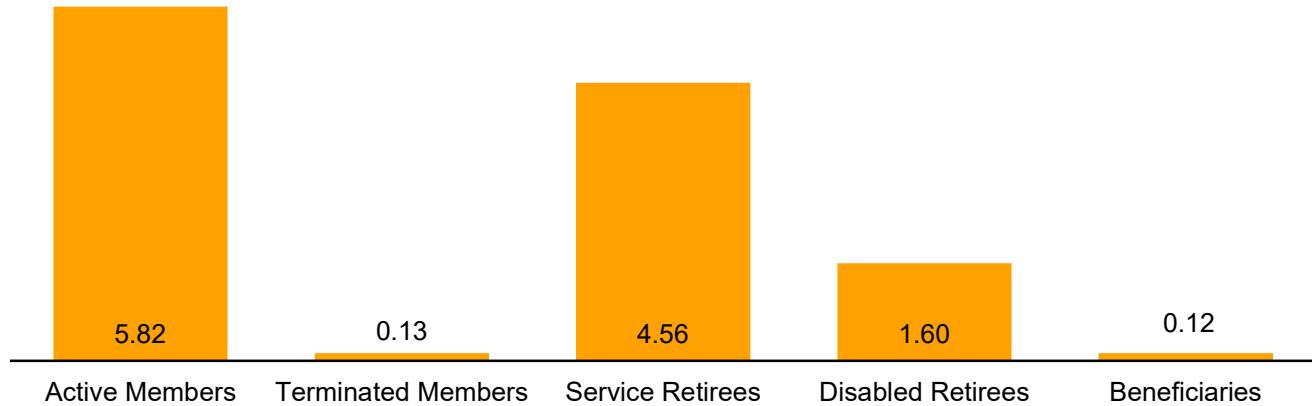
Active Members on July 1, 2024

Count	13
Average Age	45.9
Average Service	13.7
Payroll	\$1,663,612
Average Payroll	127,970

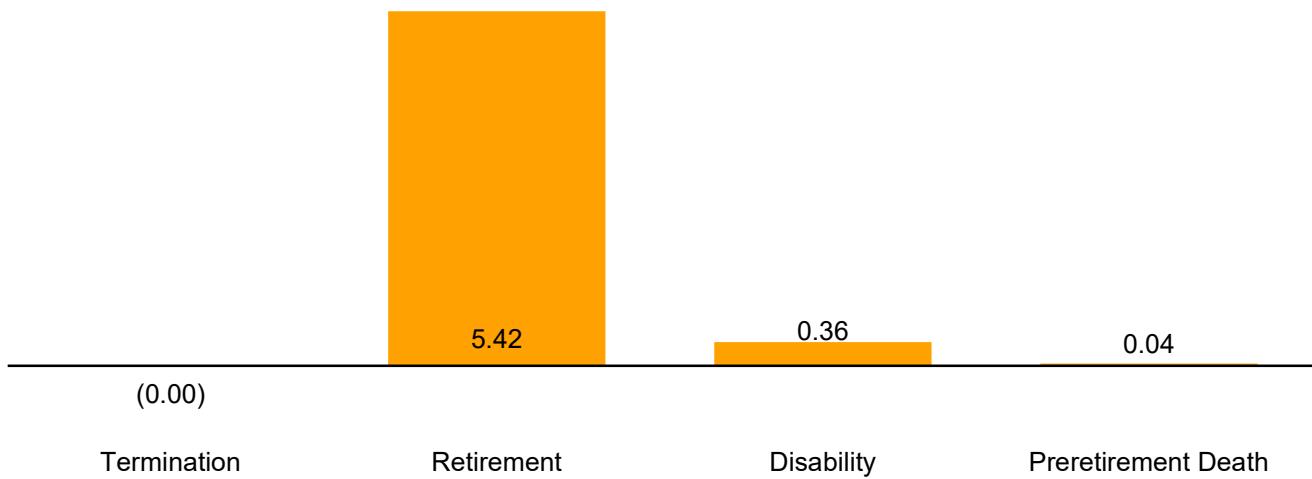


vi. Accrued Liability

The Accrued Liability as of July 1, 2024 equals \$12,229,559, which consists of the following pieces (in \$ millions):



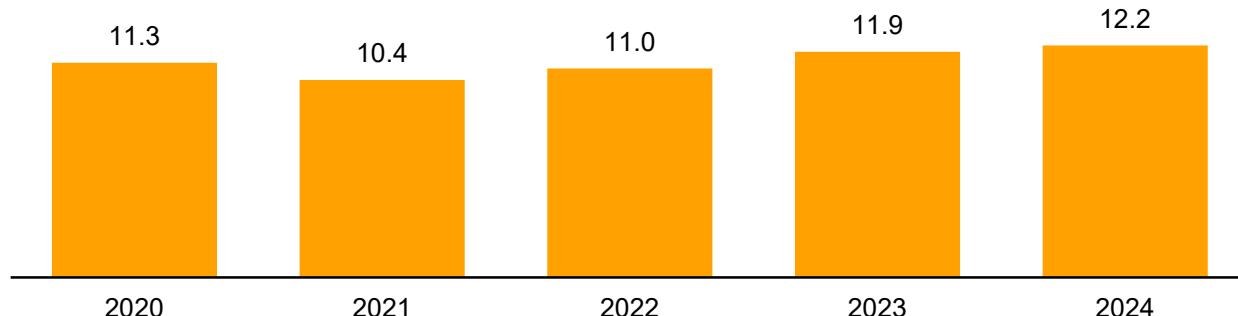
The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:



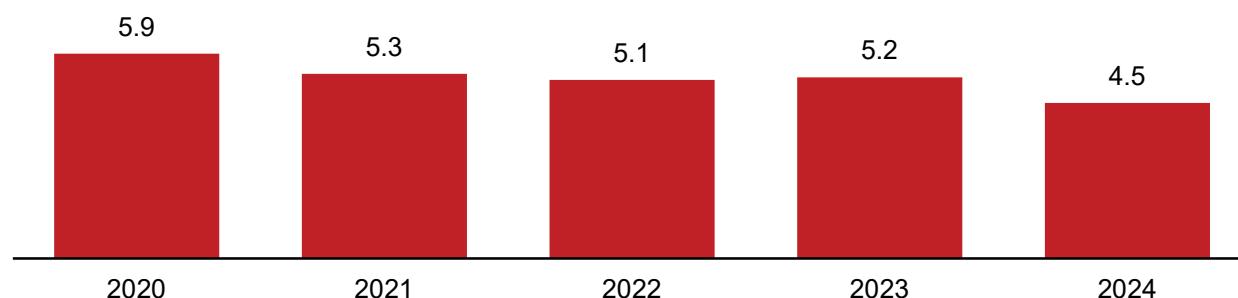
vii. Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members in pay status receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

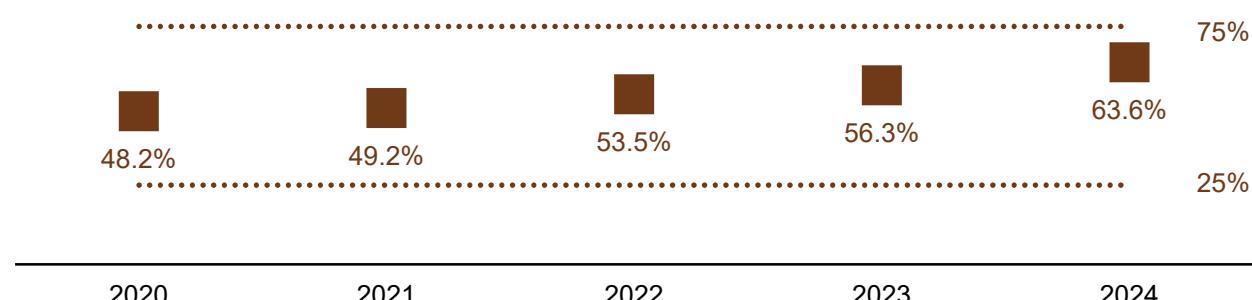
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)

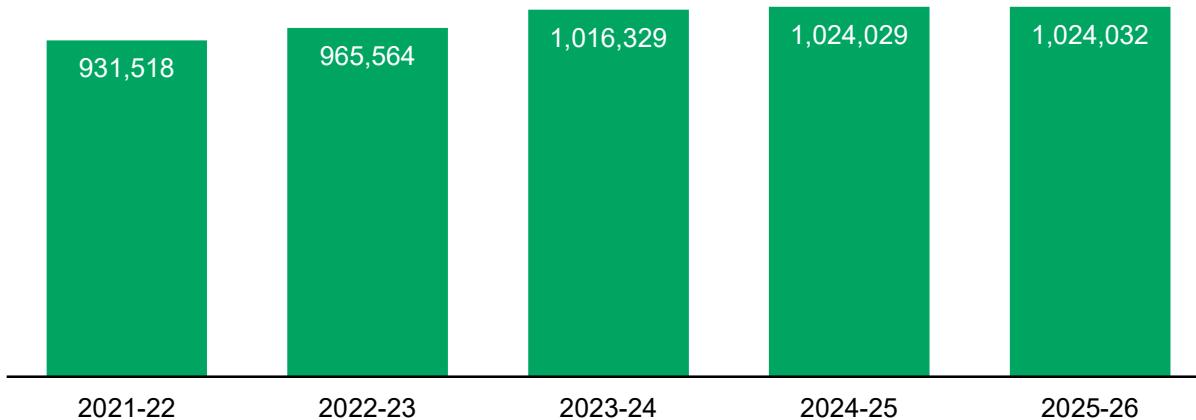


Funded Ratio



viii. Actuarially Determined Contribution (ADC)

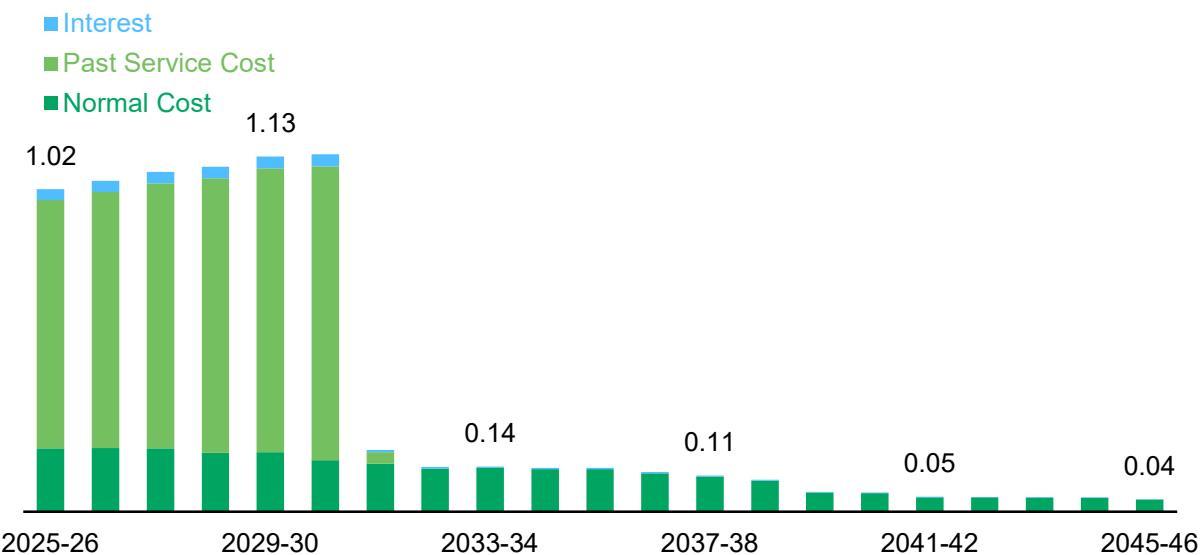
The ADC consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing lag between the valuation date and the date on which the contribution is paid. The ADC for fiscal year 2025-26 is \$1,024,032. The ADC for the past five years is shown below:



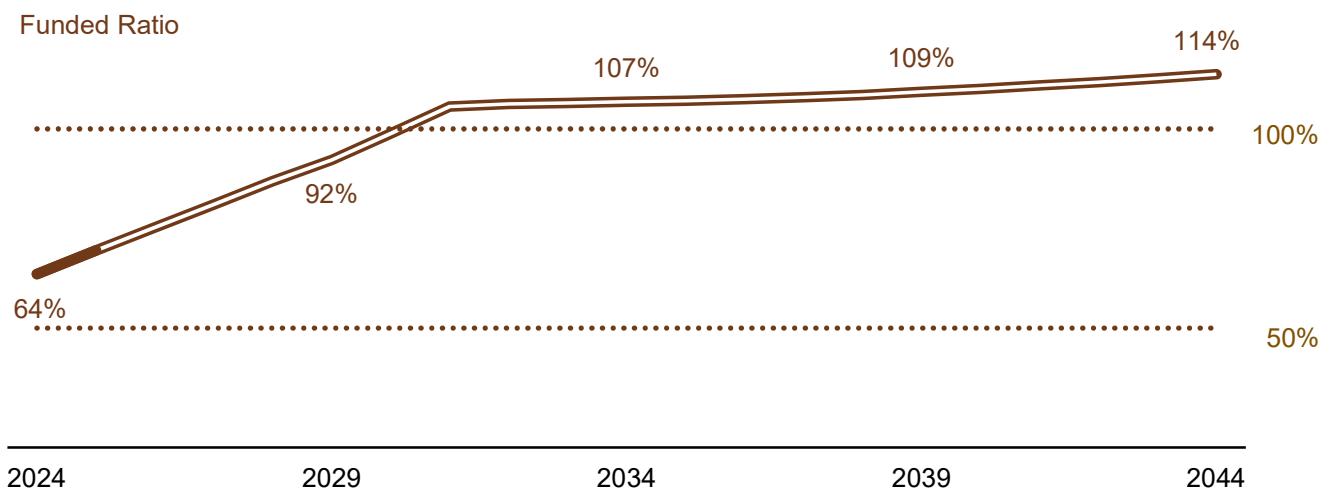
Actuarial Standard of Practice (ASOP) No. 4 requires the actuary to calculate and disclose a 'reasonable' ADC, which considers whether the actuarial methods and actuarial assumptions are in compliance with all applicable ASOPs. Based on the actuarial assumptions and methods used in this report, we believe the ADC meets this standard and reflects a balance among benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic Costs.

ix. Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following long-range Actuarially Determined Contributions (in \$ millions):



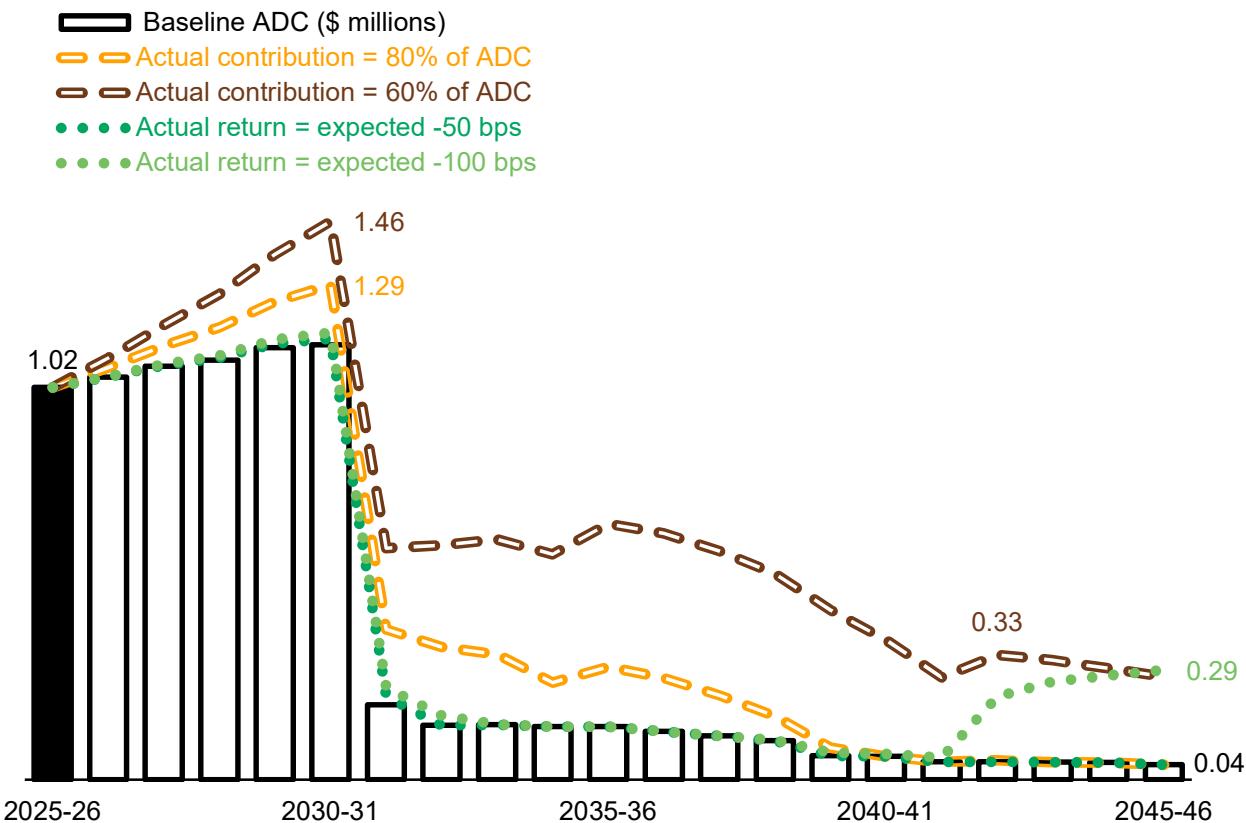
On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2031. Over time, the funded ratio is expected to change as follows:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

ix. Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the Town and from active members, and investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



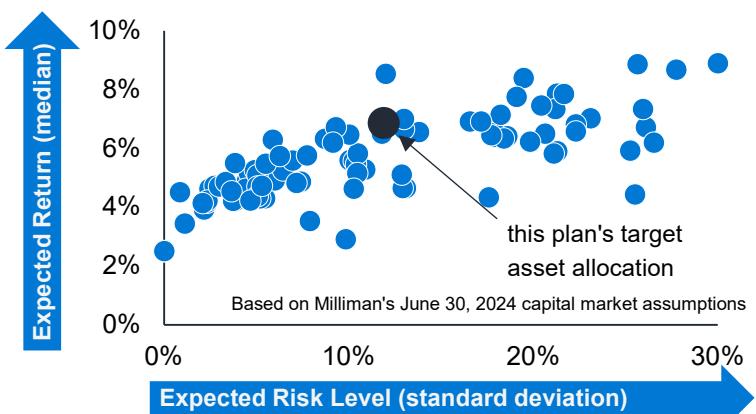
The scenarios illustrated above are based on deterministic Projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the Projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic Projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

x. Asset Allocation Considerations

Monies that flow out of a pension plan (benefits and expenses) must be matched over the long term by monies that flow into the plan (contributions and investment income). This is expressed in a classic equation: **B** (benefits) + **E** (expenses) = **C** (contributions) + **I** (investment income).

Actuarial assumptions enable us to anticipate the long-term levels of **B** (benefits) and **E** (expenses) that will be paid out of the plan. In order to determine the appropriate level of **C** (contributions) that should come in to the plan, we must first anticipate the long-term level of **I** (investment income) the plan is likely to receive. That is why, for purposes of determining future funding levels, we measure **this** plan's liability using the long-term rate of investment returns **this** plan's portfolio is expected to generate.

Pension plans construct their portfolios by allocating assets across a wide range of asset classes with different risk and return profiles; the graph includes nearly 100 asset classes that pension plans invest in. As the graph illustrates, asset classes with higher expected returns also have higher risk levels; that is, a higher likelihood of experiencing both very good returns and very bad returns. Asset classes with lower expected returns also have lower risk levels.



The plan's target allocation represents a balance. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future Town contributions, but the lower risk levels would result in lower year-over-year volatility in the Actuarially Determined Contribution and might provide more benefit security for plan members. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future Town contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan members.

In the graph above, the asset class with the lowest risk level is US Cash, and the asset class with the highest risk level is Private Equity. If the plan were invested 100% in either of these extremes, it would impact the interest rate assumption and therefore the Accrued Liability, Funded Ratio, and ultimately the Town's annual contributions; the volatility of the contributions would also change based on the risk level of the portfolio:

	100% US Cash *	Plan's Interest Rate Assumption	100% Private Equity
Expected long-term return (median)	3.4%	6.50%	8.9%
Expected risk level (standard deviation)	1.1%	11.9%	30.0%
Accrued Liability on July 1, 2024 **	\$17.0 million	\$12.2 million	\$9.5 million
Funded Ratio on July 1, 2024 ***	46%	64%	82%

* This would be considered a "low-default-risk obligation measure" (LDROM) using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate; the plan's duration on the valuation date, as measured for GASB 68 purposes, was used to estimate the impact of the interest rate difference relative to the valuation interest rate assumption.

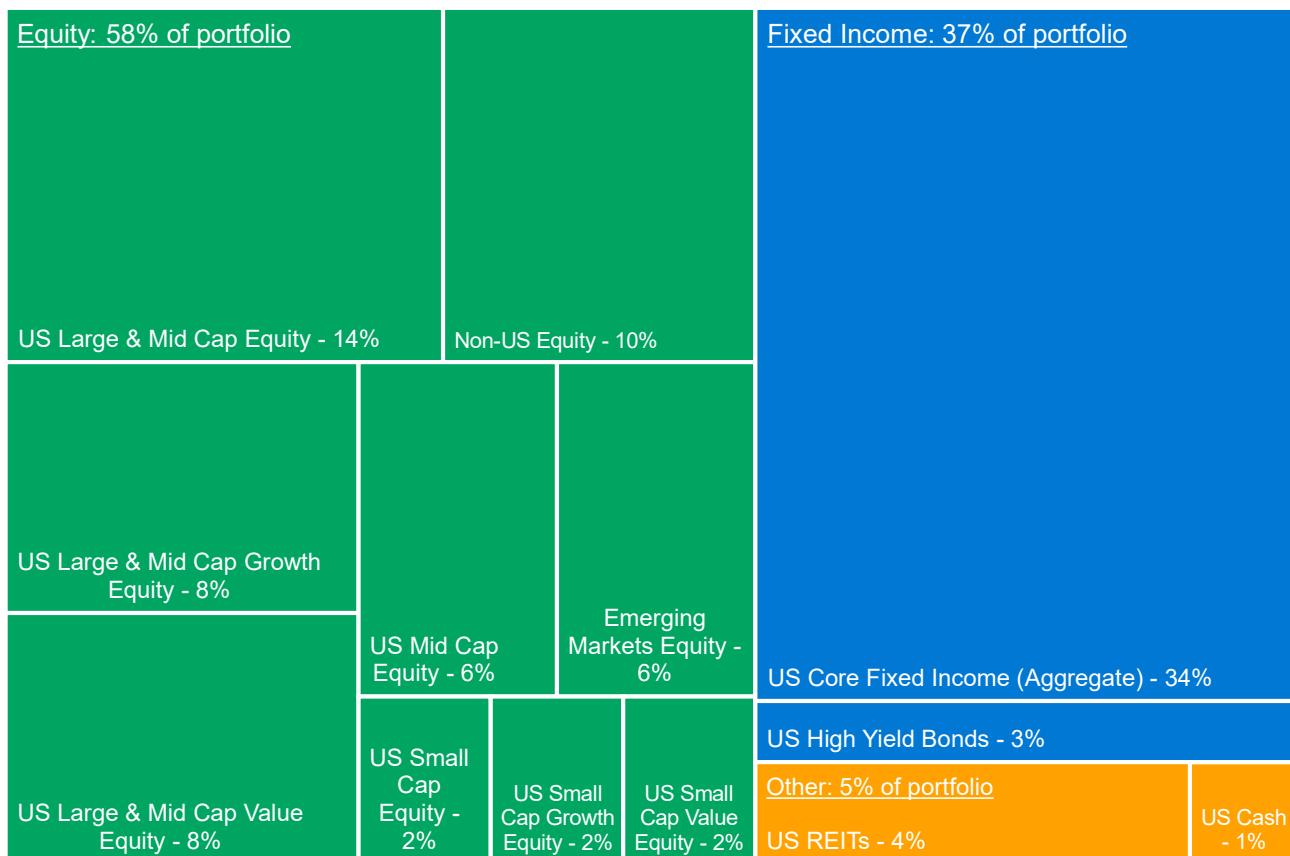
*** Measured using the Actuarial Value of Assets

1. Summary of Fund Transactions

Market Value as of July 1, 2023	\$6,423,442
Town Contributions	1,016,329
Member Contributions	142,412
Net Investment Income	779,847
Benefit Payments	(523,197)
Administrative Expenses	(22,796)
Market Value as of June 30, 2024	7,816,037
Expected Return on Market Value of Assets	437,360
Market Value (Gain)/Loss	(342,487)
Approximate Rate of Return *	11.59%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the year.

Target Asset Allocation as of June 30, 2024



2. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses asymptotically over a five year period. The Actuarial Value of Assets as of July 1, 2024 is determined below.

1.	Expected Actuarial Value of Assets:	
	a. Actuarial Value of Assets as of July 1, 2023	\$6,695,463
	b. Town Contributions and Member Contributions	1,158,741
	c. Benefit Payments and Administrative Expenses	(545,993)
	d. Expected Earnings Based on 6.50% Interest	<u>455,119</u>
	e. Expected Actuarial Value of Assets as of July 1, 2024	7,763,330
2.	Market Value of Assets as of July 1, 2024	7,816,037
3.	Amount Recognized as of July 1, 2024: 20% of [(2) - (1e)]	10,541
4.	Actuarial Value of Assets as of July 1, 2024: (1e) + (3)	7,773,871
5.	Approximate Rate of Return on Actuarial Value of Assets	6.65%

3. Funded Status

	July 1, 2023	July 1, 2024
1. Accrued Liability		
Active Members	\$5,319,350	\$5,818,075
Terminated Members	118,036	125,867
Service Retirees	4,596,091	4,564,489
Disabled Retirees	1,730,342	1,599,757
Beneficiaries	<u>125,220</u>	<u>121,371</u>
Total	11,889,039	12,229,559
2. Actuarial Value of Assets (see Exhibit 2)	6,695,463	7,773,871
3. Unfunded Accrued Liability: (1) - (2)	5,193,576	4,455,688
4. Funded Ratio: (2) / (1)	56.3%	63.6%

4. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent with layered 10-year bases. Each year a new amortization base is established for the actuarial gains or losses that have emerged since the last valuation.

1. Amortization Bases Established in Prior Years

Date Established	Original Amount	(a) Outstanding Balance		Years Remaining July 1, 2024	(b) Annual Amortization Payment
		July 1, 2024	July 1, 2024		
July 1, 2020	\$5,866,378	\$4,255,251		6	\$765,270
July 1, 2021	(252,463)	(203,362)		7	(31,821)
July 1, 2022	192,690	169,265		8	23,523
July 1, 2023	496,907	468,605		9	58,751
Total		4,689,759			815,723

2. Unfunded Accrued Liability as of July 1, 2024 (see Exhibit 3)	4,455,688
3. New Amortization Based Established July 1, 2024: (2) - (1a Total)	(234,071)
4. Amortization Period for New Amortization Base	10
5. Amortization Growth Rate	3.25%
6. Amortization Payment for July 1, 2024: (3) amortized over (4)	(26,804)
7. Past Service Cost: (1b Total) + (6)	788,919

5. Actuarial Gains / Losses

From one valuation to the next, the Accrued Liability and the Actuarial Value of Assets may change in ways that were not anticipated by the actuarial assumptions that were used in the last valuation. If the Accrued Liability is lower than expected or the Actuarial Value of Assets is higher than expected, we say that the plan has experienced an 'actuarial gain', and if the Accrued Liability is higher than expected or the Actuarial Value of Assets is lower than expected, we say that the plan has experienced an 'actuarial loss'. The actuarial gains / (losses) that arose during 2023-24 are shown below, along with the impact of plan changes and changes in the actuarial assumptions and method. Please see page 4 for more details on any changes since the last valuation.

		Accrued Liability A	Actuarial Value of Assets B	Unfunded Accrued Liability = A - B
1.	Value as of July 1, 2023	\$11,889,039	\$6,695,463	\$5,193,576
2.	Normal Cost as of July 1, 2023	311,699		311,699
3.	Town Contributions during 2023-24		1,016,329	(1,016,329)
4.	Member Contributions during 2023-24		142,412	(142,412)
5.	Benefit Payments during 2023-24	(523,197)	(523,197)	0
6.	Administrative Expenses during 2023-24		(22,796)	22,796
7.	One year of interest on (1) thru (2) at 6.50%	793,048	435,205	357,843
8.	Half year of interest on (3) thru (6) at 6.50%	(17,004)	19,914	(36,918)
9.	Expected value as of July 1, 2024	12,453,585	7,763,330	4,690,255
10.	Actual value as of July 1, 2024 before any plan, assumption, or method changes	12,229,559	7,773,871	4,455,688
11.	Experience gains / losses: (10) - (9)	(224,026)	10,541	(234,567)
12.	Impact of plan changes (see page 4)	0	0	0
13.	Impact of assumption changes (see page 4)	0	0	0
14.	Impact of method changes (see page 4)	0	0	0
15.	Final value as of July 1, 2024	12,229,559	7,773,871	4,455,688

6. Actuarially Determined Contribution

	2024-25	2025-26
1. Total Normal Cost	\$311,699	\$313,498
2. Expected Member Contributions	116,868	117,537
3. Expected Administrative Expenses	5,000	5,000
4. Net Normal Cost: (1) - (2) + (3)	199,831	200,961
5. Past Service Cost (see Exhibit 4)	790,046	788,919
6. Interest on (4) + (5) reflecting monthly payments	34,152	34,152
7. Actuarially Determined Contribution: (4) + (5) + (6)	1,024,029	1,024,032
8. Payroll	1,676,266	1,663,612
9. Actuarially Determined Contribution as a Percent of Payroll	61.1%	61.6%

7. Long Range Funded Status Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
7/1/2024	\$12,229,559	\$7,773,871	\$4,455,688	63.57%
7/1/2025	12,768,000	8,873,000	3,895,000	69.49%
7/1/2026	13,328,000	10,027,000	3,301,000	75.24%
7/1/2027	13,916,000	11,276,000	2,640,000	81.03%
7/1/2028	14,488,000	12,595,000	1,893,000	86.93%
7/1/2029	13,970,000	12,885,000	1,085,000	92.23%
7/1/2030	14,407,000	14,244,000	163,000	98.87%
7/1/2031	14,814,000	15,653,000	(839,000)	105.66%
7/1/2032	15,186,000	16,138,000	(952,000)	106.27%
7/1/2033	15,574,000	16,588,000	(1,014,000)	106.51%
7/1/2034	15,964,000	17,050,000	(1,086,000)	106.80%
7/1/2035	16,342,000	17,498,000	(1,156,000)	107.08%
7/1/2036	16,650,000	17,896,000	(1,246,000)	107.48%
7/1/2037	16,890,000	18,229,000	(1,339,000)	107.93%
7/1/2038	16,984,000	18,425,000	(1,441,000)	108.48%
7/1/2039	16,909,000	18,486,000	(1,577,000)	109.33%
7/1/2040	16,791,000	18,475,000	(1,684,000)	110.03%
7/1/2041	16,607,000	18,418,000	(1,811,000)	110.90%
7/1/2042	16,421,000	18,353,000	(1,932,000)	111.77%
7/1/2043	16,231,000	18,293,000	(2,062,000)	112.70%

8. Long Range Cash Flow Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Fiscal Year	Town Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2025-26	\$1,024,032	\$120,476	(\$587,582)	(\$5,000)	\$551,926
2026-27	1,050,000	123,000	(596,000)	(5,000)	572,000
2027-28	1,079,000	119,000	(630,000)	(5,000)	563,000
2028-29	1,095,000	123,000	(1,730,000)	(5,000)	(517,000)
2029-30	1,128,000	110,000	(732,000)	(5,000)	501,000
2030-31	1,135,000	104,000	(770,000)	(5,000)	464,000
2031-32	195,000	98,000	(807,000)	(5,000)	(519,000)
2032-33	141,000	102,000	(821,000)	(5,000)	(583,000)
2033-34	143,000	101,000	(838,000)	(5,000)	(599,000)
2034-35	139,000	103,000	(877,000)	(5,000)	(640,000)
2035-36	139,000	95,000	(946,000)	(5,000)	(717,000)
2036-37	126,000	87,000	(1,014,000)	(5,000)	(806,000)
2037-38	115,000	78,000	(1,146,000)	(5,000)	(958,000)
2038-39	101,000	48,000	(1,246,000)	(5,000)	(1,102,000)
2039-40	63,000	47,000	(1,281,000)	(5,000)	(1,176,000)
2040-41	61,000	36,000	(1,310,000)	(5,000)	(1,218,000)
2041-42	47,000	36,000	(1,301,000)	(5,000)	(1,223,000)
2042-43	46,000	36,000	(1,292,000)	(5,000)	(1,215,000)
2043-44	46,000	36,000	(1,282,000)	(5,000)	(1,205,000)
2044-45	45,000	33,000	(1,455,000)	(5,000)	(1,382,000)

9. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$5,311,339	\$10,593,295	\$5,281,956	50.1%
July 1, 2014	6,140,349	10,784,396	4,644,047	56.9%
July 1, 2015	6,962,983	11,786,954	4,823,971	59.1%
July 1, 2016	6,472,136	11,279,092	4,806,956	57.4%
July 1, 2017	5,954,268	11,005,988	5,051,720	54.1%
July 1, 2018	5,347,253	10,626,929	5,279,676	50.3%
July 1, 2019	6,056,148	11,809,880	5,753,732	51.3%
July 1, 2020	5,451,416	11,317,794	5,866,378	48.2%
July 1, 2021	5,117,152	10,410,160	5,293,008	49.2%
July 1, 2022	5,891,025	11,011,110	5,120,085	53.5%
July 1, 2023	6,695,463	11,889,039	5,193,576	56.3%
July 1, 2024	7,773,871	12,229,559	4,455,688	63.6%

10. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2014-15	\$797,007	\$797,007	\$1,715,127	46.5%
2015-16	788,048	788,048	1,831,989	43.0%
2016-17	811,023	811,023	2,089,945	38.8%
2017-18	801,806	801,806	2,135,510	37.5%
2018-19	792,883	792,883	2,084,272	38.0%
2019-20	811,664	811,664	1,913,472	42.4%
2020-21	866,502	866,502	1,742,029	49.7%
2021-22	931,518	931,518	1,629,834	57.2%
2022-23	965,564	965,564	1,517,841	63.6%
2023-24	1,016,329	1,016,329	1,518,576	66.9%
2024-25	1,024,029	TBD	1,676,266	TBD
2025-26	1,024,032	TBD	1,663,612	TBD

11. Reconciliation of Membership from Prior Valuation

Details of the changes in the plan's membership since the last valuation are shown below. Additional details on the membership are provided in the following exhibits.

	Active Members	Terminated Vested Members	Nonvested Members Due Refunds	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2023	13	1	0	8	5	2	29
Terminated							
- no benefits due	-	-	-	-	-	-	0
- refund due	-	-	-	-	-	-	0
- paid refund	-	-	-	-	-	-	0
- vested benefits due	-	-	-	-	-	-	0
Retired	-	-	-	-	-	-	0
Died							
- with beneficiary	-	-	-	-	-	-	0
- no beneficiary	-	-	-	-	(1)	-	(1)
Benefits expired	-	-	-	-	-	-	0
New member	-	-	-	-	-	-	0
Rehired	-	-	-	-	-	-	0
New Alternate Payee	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count July 1, 2024	13	1	0	8	4	2	28

12. Statistics of Active Membership

	July 1, 2023	July 1, 2024
Number of Active Members	13	13
Average Age	44.9	45.9
Average Service	12.7	13.7
Payroll	\$1,676,266	\$1,663,612
Average Payroll	128,944	127,970

13. Statistics of Inactive Membership

	July 1, 2023	July 1, 2024
Terminated Vested Members		
Number	1	1
Total Annual Benefit	\$10,010	\$10,010
Average Annual Benefit	10,010	10,010
Average Age	53.3	54.3
Nonvested Members Due Refunds		
Number	0	0
Service Retirees		
Number	8	8
Total Annual Benefit	\$367,072	\$367,072
Average Annual Benefit	45,884	45,884
Average Age	61.0	62.0
Disabled Retirees		
Number	5	4
Total Annual Benefit	\$152,262	\$139,154
Average Annual Benefit	30,452	34,789
Average Age	65.2	63.7
Beneficiaries		
Number	2	2
Total Annual Benefit	\$14,786	\$14,786
Average Annual Benefit	7,393	7,393
Average Age	75.2	76.2

14. Distribution of Inactive Membership as of July 1, 2024

	Age	Number	Annual Benefits
Terminated Vested Members	< 50	0	\$0.00
	50 - 59	1	10,009.56
	60 - 69	0	0.00
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	<u>0.00</u>
	Total	1	10,009.56
 Service Retirees	< 50	0	\$0.00
	50 - 59	3	143,840.88
	60 - 69	5	223,230.84
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	<u>0.00</u>
	Total	8	367,071.72
 Disabled Retirees	< 50	1	\$52,999.20
	50 - 59	0	0.00
	60 - 69	1	23,916.84
	70 - 79	2	62,238.24
	80 - 89	0	0.00
	90 +	0	<u>0.00</u>
	Total	4	139,154.28
 Beneficiaries	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	1	6,554.04
	70 - 79	0	0.00
	80 - 89	1	8,231.88
	90 +	0	<u>0.00</u>
	Total	2	14,785.92

Appendix A - Actuarial Funding Method

Cost Method

The actuarial cost method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing lag between the valuation date and the date on which the contribution is paid.

The Normal Cost is determined by calculating the present value of future benefits for present Active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination for each individual. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Members in Pay Status and Terminated Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the Costs determined by the valuation must be regarded as estimates of the true Costs of the Plan.

Asset Smoothing Method

The Actuarial Value of Assets is determined by recognizing market gains and losses asymptotically over a five year period.

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Actuarial Value of Assets. This Unfunded Accrued Liability is amortized as a level percent with layered 10-year bases.

Long-Range Forecast

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate	6.50%										
Inflation	2.50%										
Amortization Growth Rate	3.25%										
Expenses	\$5,000 per year										
Salary Scale	3.25%										
Payout for Unused Days	20% load on active liability and normal cost										
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date. 100% of pre-retirement death is assumed to be in service.										
Lump Sum Conversion Basis	Applicable Mortality Table per Revenue Ruling 2007-67 with 4.00% interest.										
Lump Sum Conversion Basis	50% of employees hired before December 1, 2004 are assumed to elect the Lump Sum payment option.										
Turnover	None.										
Retirement	10% after 20 years of service or age 55 and 10 years of service, 75% after 25 years of service; 2% at all other ages; 100% at age 65.										
Disability	<table><thead><tr><th>Age</th><th>Rate</th></tr></thead><tbody><tr><td>30</td><td>0.05%</td></tr><tr><td>40</td><td>0.09%</td></tr><tr><td>50</td><td>0.40%</td></tr><tr><td>60</td><td>1.74%</td></tr></tbody></table>	Age	Rate	30	0.05%	40	0.09%	50	0.40%	60	1.74%
Age	Rate										
30	0.05%										
40	0.09%										
50	0.40%										
60	1.74%										
Marital Status	75% of members are assumed to be married with female spouses three years younger than the male spouses.										

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Effective Date	July 1, 1970	
Employees Covered	Any full-time and permanent part-time employee in the employ of the Police Department of Town of North Branford. No new employees can join the plan after October 5, 2015.	
Member's Contributions	Effective Date	Rate
<hr/>		
	Prior to July 1, 2005	5.00%
	July 1, 2005 - June 30, 2006	6.00%
	July 1, 2006 - June 30, 2010	7.00%
	July 1, 2010 and thereafter	8.00%
<hr/>		
Interest is credited at a rate of 3.50% per annum.		
Credited Service	Whole years and full months from date of hire, maximum of 30 years.	
Earnings	Basic Compensation including overtime, commissions, bonuses, and any other form of additional compensation excluding any maintenance or special payments.	
Final Average Earnings	Average earnings during the highest 3 plan years of active employment for members that retire with less than 25 years of service. Average earnings during the last 36 consecutive months out of active employment for members that retire with 25 years of service or more.	
Normal Retirement Eligibility	Earlier of age 55 and 10 years of Credited Service, or 25 years of Credited Service.	
Normal Retirement Benefit	2.0% of Final Average Earnings per year of Credited Service.	
20 Year Retirement Eligibility	20 years of Credited Service.	
20 Year Retirement Benefit	50% of Final Average Earnings of Credited Service over 20 years and less than 25 years plus an additional 2% for each year of Credited Service between 26 years and 30 years.	
A member electing to retire with 20 years of Credited Service is not eligible for the Lump Sum payment option.		

Appendix C - Summary of Plan Provisions

Deferred Retirement Eligibility	Members may continue to work beyond Normal Retirement, but not later than age 65.
Deferred Retirement Benefit	Benefit based on Credited Service and Final Average Earnings to actual date of retirement.
Disability Benefit Eligibility	10 years of service or disability must result from performance of police service related functions. Employee must be permanently and totally disabled, meaning unable to satisfactorily perform duties as a police employee.
Disability Benefit Eligibility	50% of Annual Earnings on date of disability less any Workers' Compensation benefit employee may be eligible to receive. Up to 60% of Annual Earnings for service related disability.
Preretirement Death Benefit	A monthly survivor benefit is payable on behalf of a married employee who died while not in service and completed 5 years of contributory service. The surviving spouse to whom they had been married for at least one year shall receive a death benefit equal to 50% of the deceased Member's Final Average Earnings as of date of death. A monthly survivor benefit is payable on behalf of a married employee who died while in service regardless of years of Credited Service. The surviving spouse to whom they had been married for at least one year shall receive a death benefit equal to 50% of the deceased Member's Final Average Earnings as of date of death. For those not eligible for the survivor benefit, a lump sum benefit is payable equal to the employee contributions with interest.
Postretirement Death Benefit	Based on form of benefit elected at retirement.
Vesting	100% Vested after 10 years of Credited Service. If vested, may elect a refund of contributions in lieu of pension.
Normal Form of Annuity	Life Annuity.
Lump Sum Payment Option	Can opt for a single sum in lieu of a monthly benefit. This option is not available to employees hired after December 1, 2004.

Appendix D - Risk Disclosure - Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

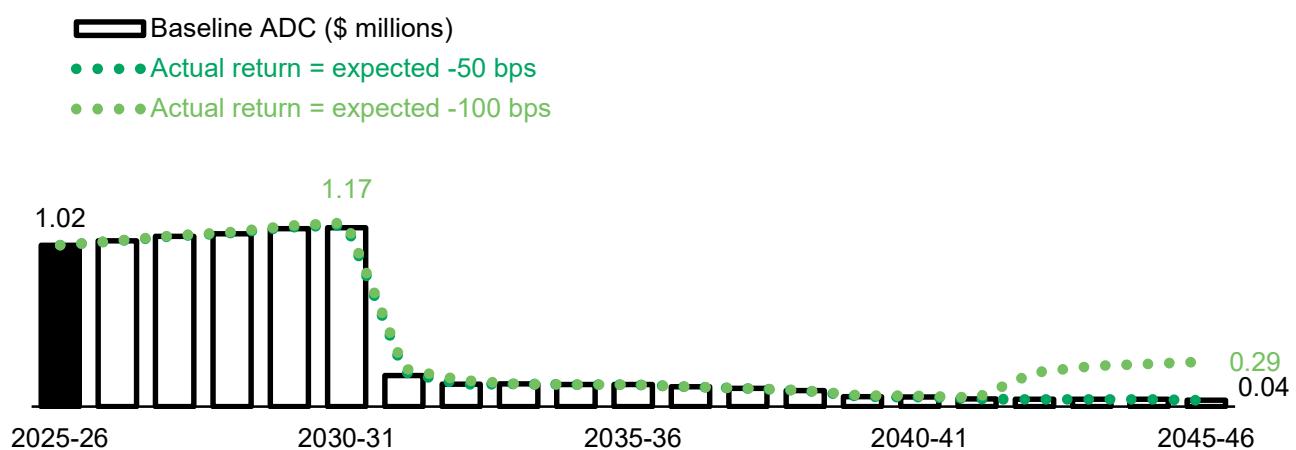
Please see Appendix A for more information on the basis for the projected results shown on the following pages.

Appendix D - Risk Disclosure - Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

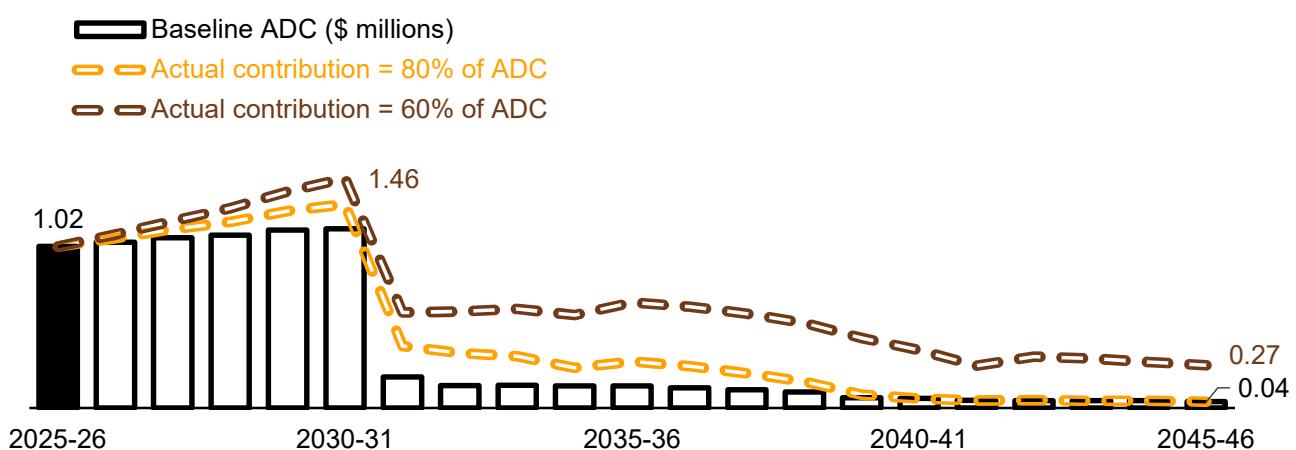
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 10 years, actual contributions have been 100.0% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Appendix D - Risk Disclosure - Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating Costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

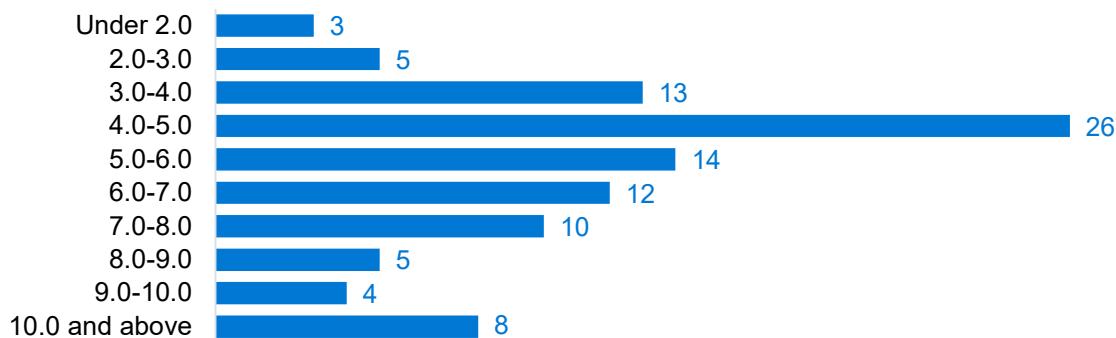
Identification: In 2023-24, the plan had positive cash flow, with town contributions and member contributions to the plan of \$1,158,741 compared to \$545,993 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the liability for active members.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: As of July 1, 2024, the plan's Asset Volatility Ratio (the ratio of the market value of plan assets to payroll) is 4.7. According to Milliman's 2023 Public Pension Funding Study, the 100 largest US public pension plans have the following range of Asset Volatility Ratios:



Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Appendix D - Risk Disclosure - Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contribution, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

Pensionable Earnings Risk

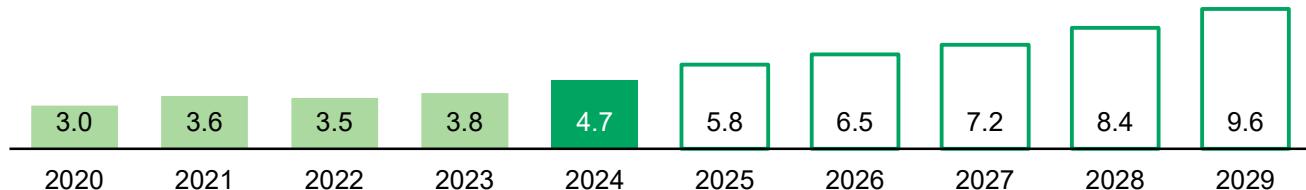
Definition: This is the potential for active members to add items to their pensionable earnings and receive pension benefits that are higher than expected.

Identification: This plan permits members to include the value of unused sick days in their pensionable earnings. We assume that on average the unused sick days will increase benefits by 20%. If the value of unused sick days increases benefits by more than 20% on average, then plan costs will rise over time.

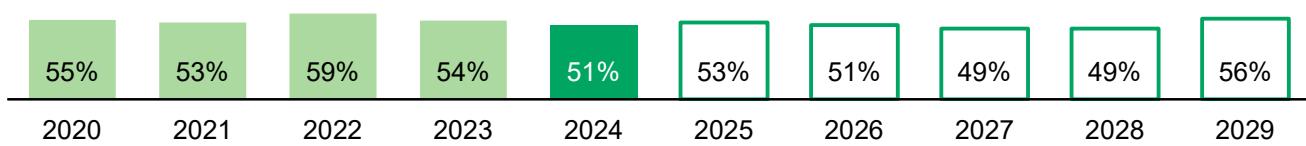
Appendix D - Risk Disclosure - Maturity Metrics

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

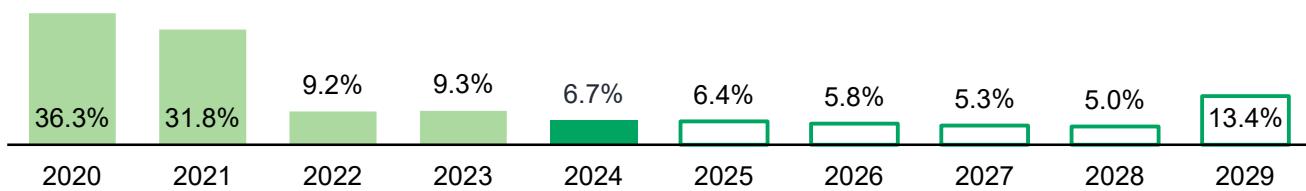
Asset Volatility Ratio: Market Value of Assets compared to Payroll



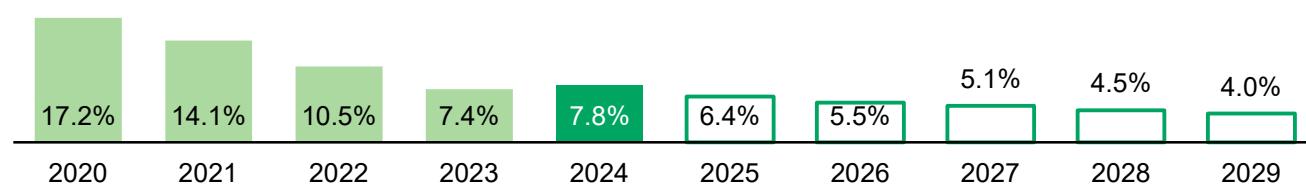
Accrued Liability for Members in Pay Status compared to total Accrued Liability



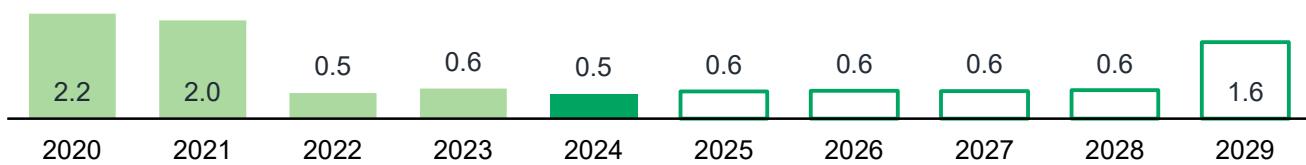
Benefit Payments compared to Market Value of Assets



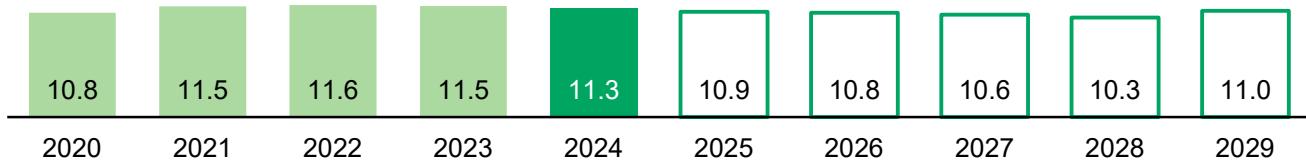
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



Appendix E - Glossary

Actuarial Cost Method	This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Accrued Liability and the Normal Cost.
Accrued Liability	This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).
Actuarial Assumptions	With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.
Actuarial Present Value of Benefits	This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.
Actuarial Value of Assets	This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.
Attribution Period	The period of an active member's service to which the expected benefit obligation for that member is assigned. The beginning of the attribution period is the member's date of hire and Costs are spread across all service.
Interest Rate	This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.
Normal Cost	This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.
Past Service Cost	This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.
Return on Plan Assets	This is the actual investment return on plan assets during the fiscal year.
Unfunded Accrued Liability	This is the excess of the Accrued Liability over the Actuarial Value of Assets.

Town of North Branford Retirement Plan for Municipal Employees

Actuarial Valuation as of July 1, 2024
To Determine Funding for Fiscal Year 2025-26

Prepared by

Scott Lindberg, FSA

Consulting Actuary

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Certification

As part of our engagement with the Town of North Branford ("Town"), we have performed an actuarial valuation of the Plan as of July 1, 2024. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2025-26, to review the Plan's experience since the prior valuation, and to assess the funded position of the Plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in this report have been made on a basis consistent with our understanding of the Plan's funding policy and on our understanding of the plan provisions as summarized in this report. Determinations for purposes other than meeting these requirements, such as for financial reporting in accordance with GASB standards, may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

We believe that the measures of funded status contained herein are appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations and for assessing the need for or the amount of future contributions. Note that a Plan's funded status is dependent on the selection of both the actuarial cost method and the asset smoothing method; different measurements would result if, for instance, the Market Value of Assets were used in place of the Actuarial Value of Assets.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Town, who is responsible for selecting the Plan's funding policy, actuarial cost methods, asset valuation methods, and actuarial assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Town is solely responsible for communicating to Milliman any changes thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic 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 or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Certification (continued)

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Town. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the use and benefit of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Scott Lindberg, FSA
Consulting Actuary

i. Summary of Principal Results

Actuarial Valuation for Plan Year Beginning	July 1, 2023	July 1, 2024
Membership		
Active Members	5	5
Terminated Members	2	2
Members in Pay Status	<u>70</u>	<u>68</u>
Total Count	77	75
Payroll	\$405,300	\$405,766
Assets and Liabilities		
Market Value of Assets	\$4,014,168	\$4,504,208
Actuarial Value of Assets	4,363,289	4,632,156
Accrued Liability for Active Members	1,949,200	2,057,140
Accrued Liability for Terminated Members	36,839	39,296
Accrued Liability for Members in Pay Status	<u>7,465,729</u>	<u>7,214,185</u>
Total Accrued Liability	9,451,768	9,310,621
Unfunded Accrued Liability	5,088,479	4,678,465
Funded Ratio	46.2%	49.8%
Actuarially Determined Contribution		
For Fiscal Year	2024-25	2025-26
Normal Cost	30,806	31,104
Past Service Cost	766,789	800,397
Interest	<u>27,517</u>	<u>28,687</u>
Actuarially Determined Contribution	825,112	860,188

ii. Changes Since the Prior Valuation

Plan Experience

From July 1, 2023 to July 1, 2024, the plan's assets earned 11.77% on a Market Value basis and 5.77% on an Actuarial Value basis. The interest rate assumption for this period was 6.50%; the result is an asset gain of about \$0.2 million on a Market Value basis and a loss of about \$32,000 on an Actuarial Value basis.

From July 1, 2023 to July 1, 2024, the Accrued Liability was expected to decline from \$9.5 million to \$9.2 million, based on expected changes in the plan's membership per the actuarial assumptions. Actual changes in the plan's membership during this period resulted in an Accrued Liability as of July 1, 2024 of \$9.3 million (measured before any changes in the plan provisions or the actuarial methods and assumptions). This difference of \$69,000 between the expected Accrued Liability and the actual Accrued Liability is termed a 'liability loss'. The primary factors contributing to this liability loss were: (1) a modest loss from mortality experience, with fewer deaths than expected; and (2) a small gain from salary growth, with smaller pay increases than expected.

Plan Changes

None.

Changes in Actuarial Assumptions

None.

Changes in Actuarial Methods

None.

Other Significant Changes

None.

iii. Asset Performance

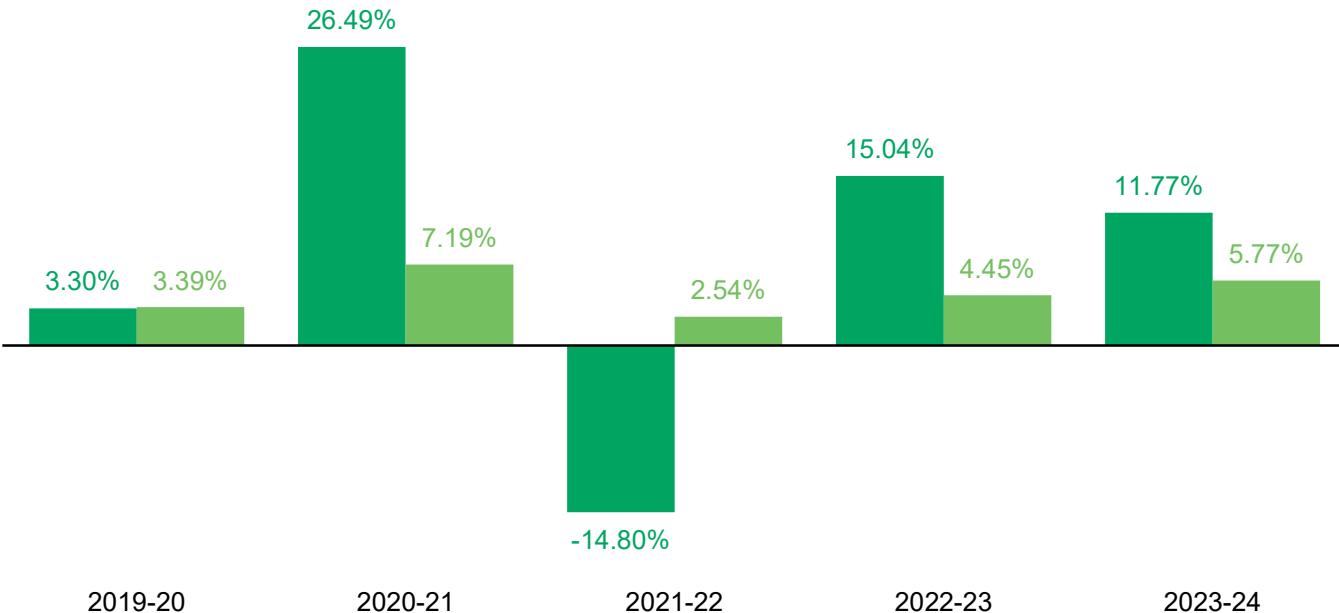
There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses asymptotically over five years.

	Market Value	Actuarial Value
Value as of July 1, 2023	\$4,014,168	\$4,363,289
Town Contributions and Member Contributions	860,511	860,511
Investment Income	473,342	252,169
Benefit Payments and Administrative Expenses	(843,813)	(843,813)
Value as of July 1, 2024	4,504,208	4,632,156

The Actuarial Value currently exceeds the Market Value by \$128,000. This figure represents investment losses that will be gradually recognized in future years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

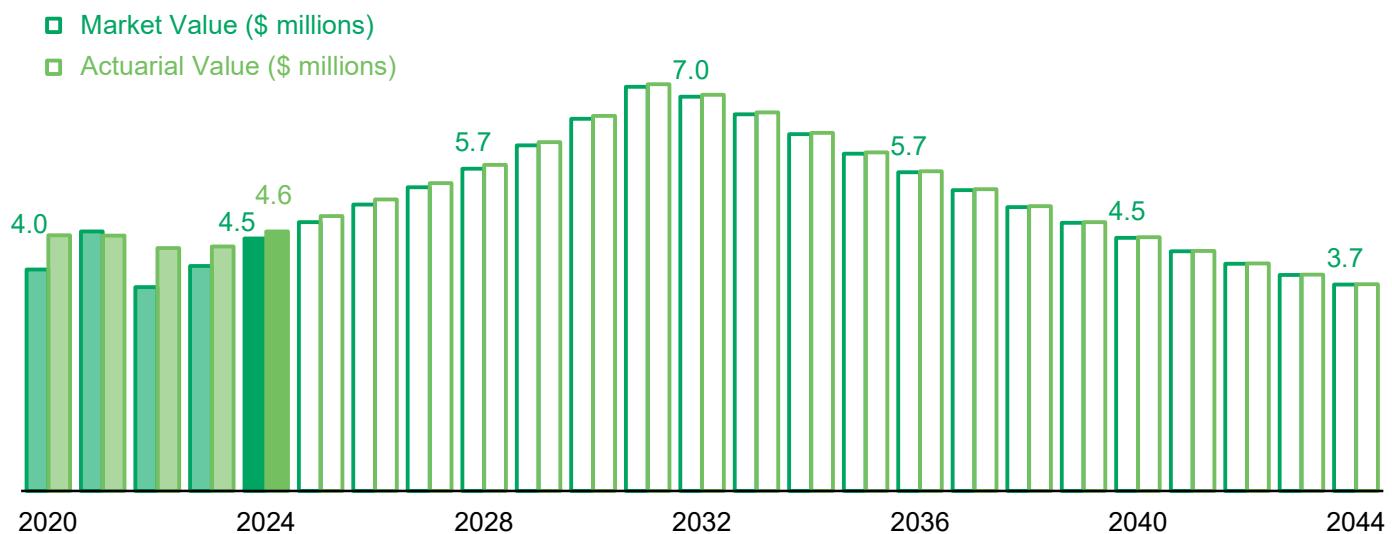
Historical rates of return are shown in the graph below:

- Market Value
- Actuarial Value

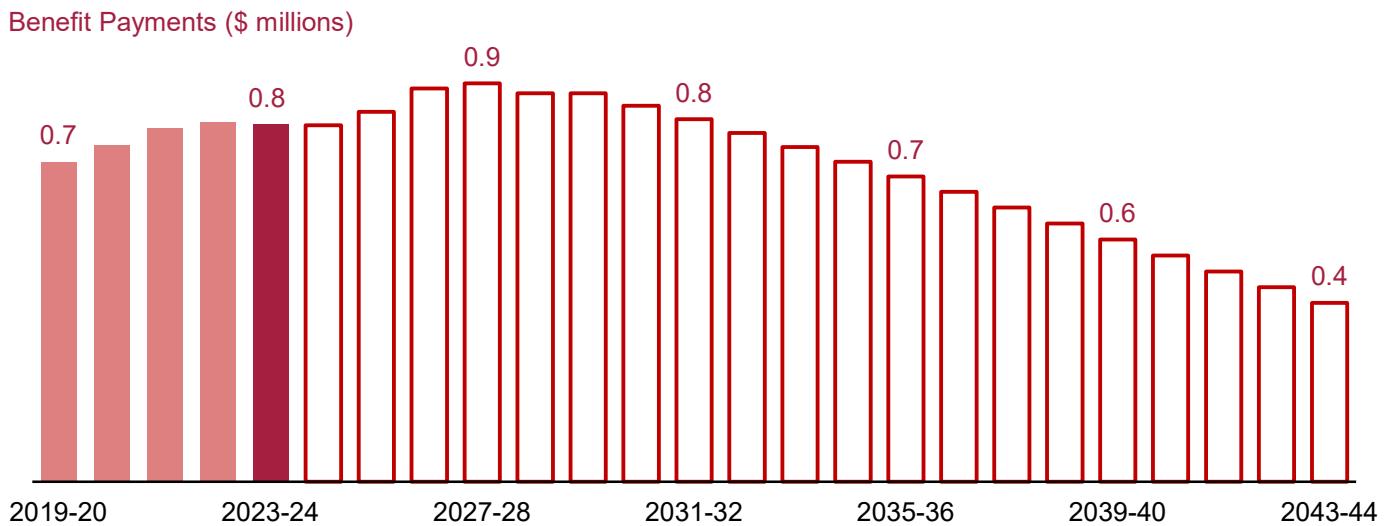


iv. Asset Forecast

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2023-24, the plan paid out \$0.8 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$14 million in benefits to members.

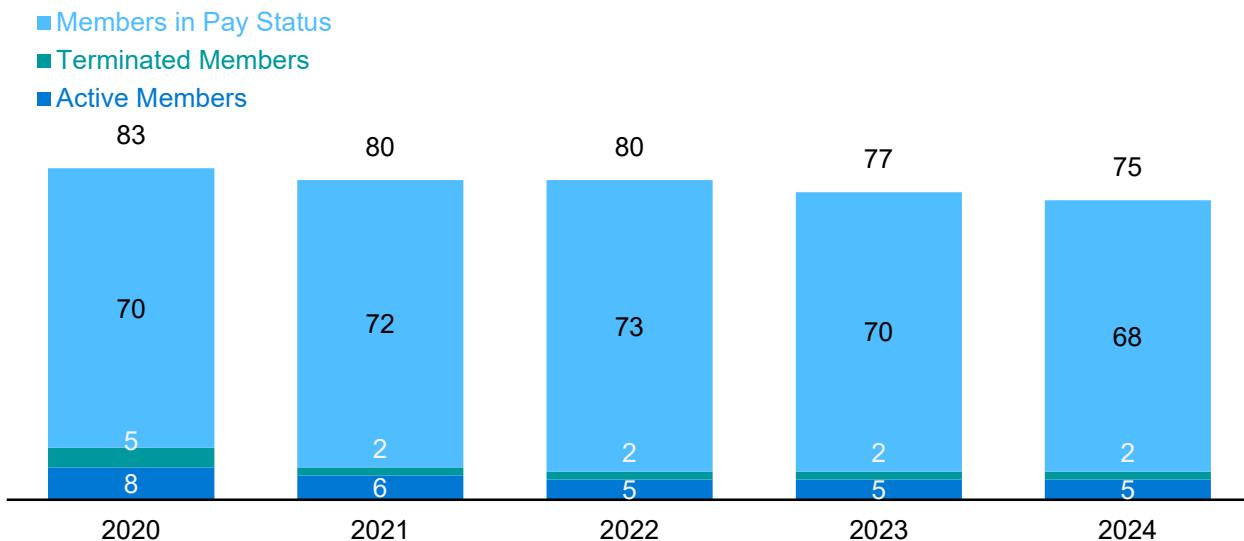


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

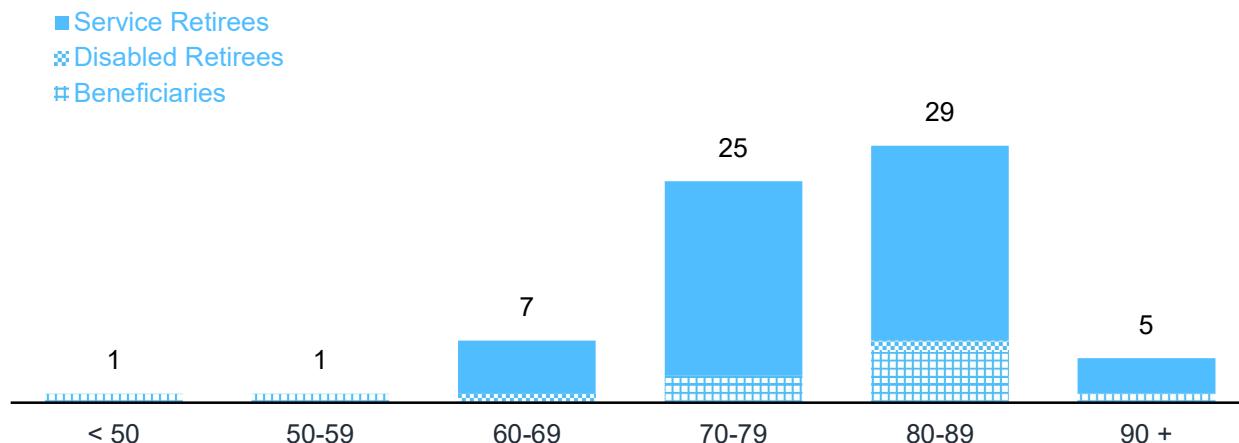
There are three basic categories of plan members included in the valuation: (1) active employees who have met the eligibility requirements for membership, (2) members who are currently receiving monthly pension benefits, and (3) former employees who have a right to benefits but have not yet started collecting.



Members in Pay Status on July 1, 2024

Service Retirees	54	Average Age	79.4
Disabled Retirees	2	Total Annual Benefit	\$814,510
Beneficiaries	12	Average Annual Benefit	11,978
Total	68		

The members in pay status fall across a wide distribution of ages:



v. Membership (continued)

Terminated Vested Members on July 1, 2024

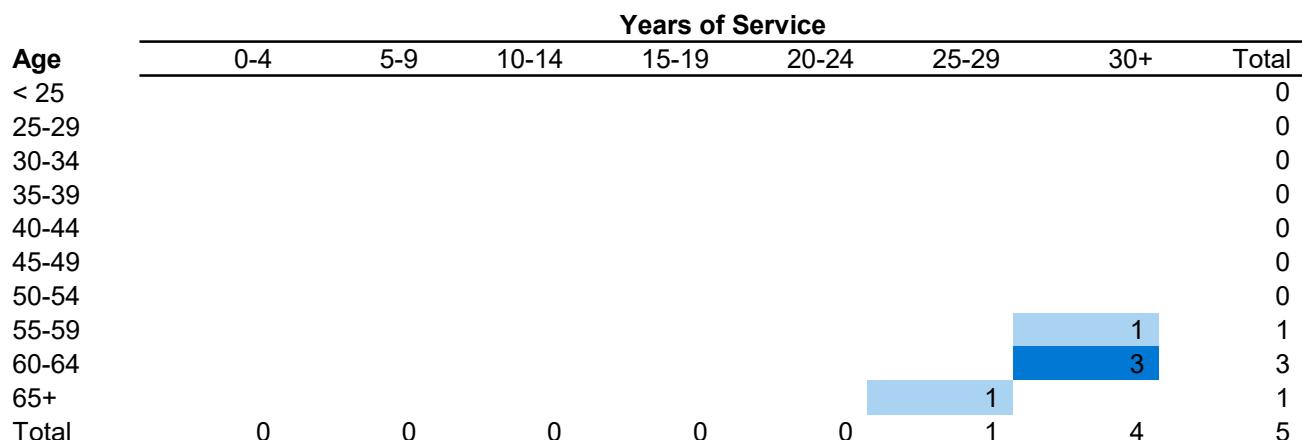
Count	2
Average Age	64.6
Total Annual Benefit	\$3,423
Average Annual Benefit	1,712

Nonvested Members Due Refunds on July 1, 2024

Count	0
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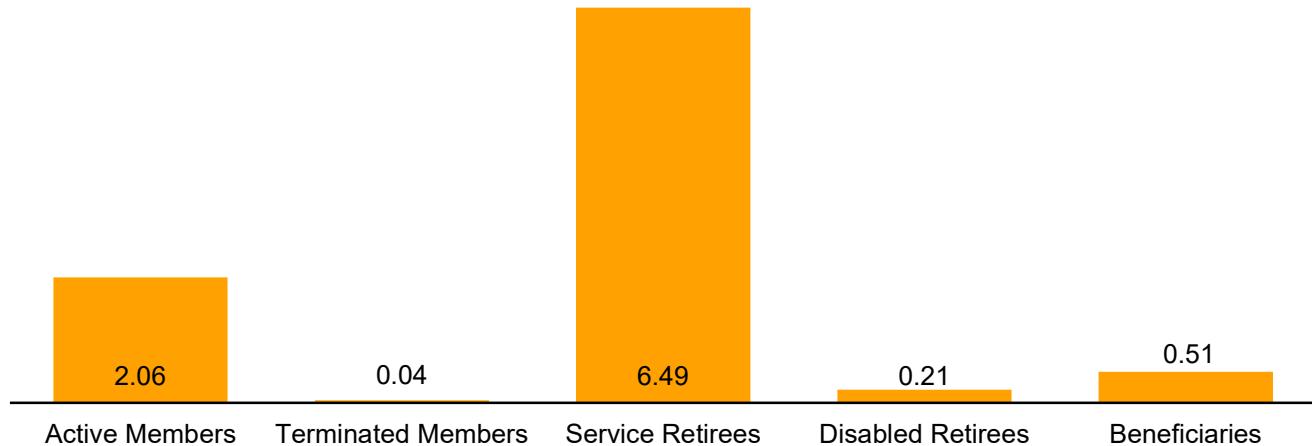
Active Members on July 1, 2024

Count	5
Average Age	63.1
Average Service	34.6
Payroll	\$405,766
Average Payroll	81,153

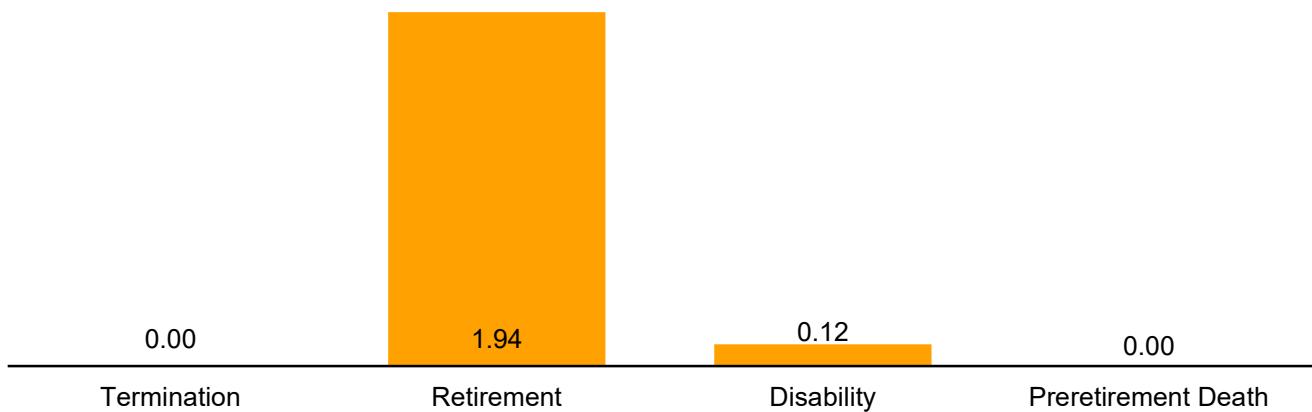


vi. Accrued Liability

The Accrued Liability as of July 1, 2024 equals \$9,310,621, which consists of the following pieces (in \$ millions):



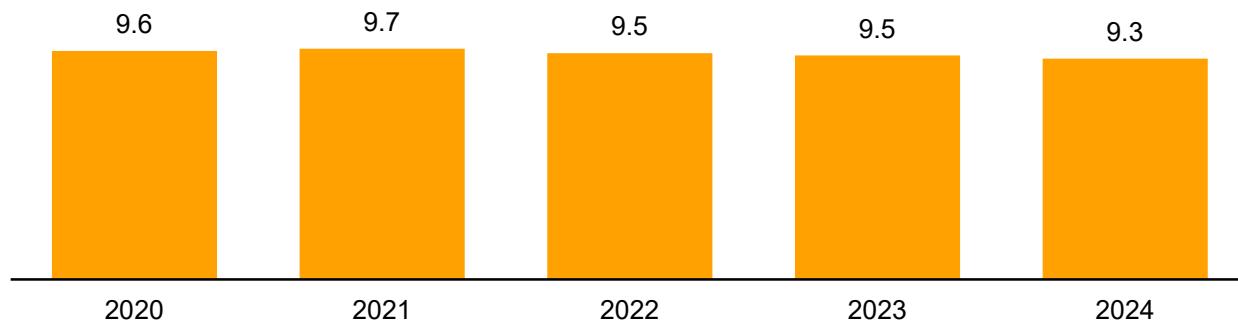
The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:



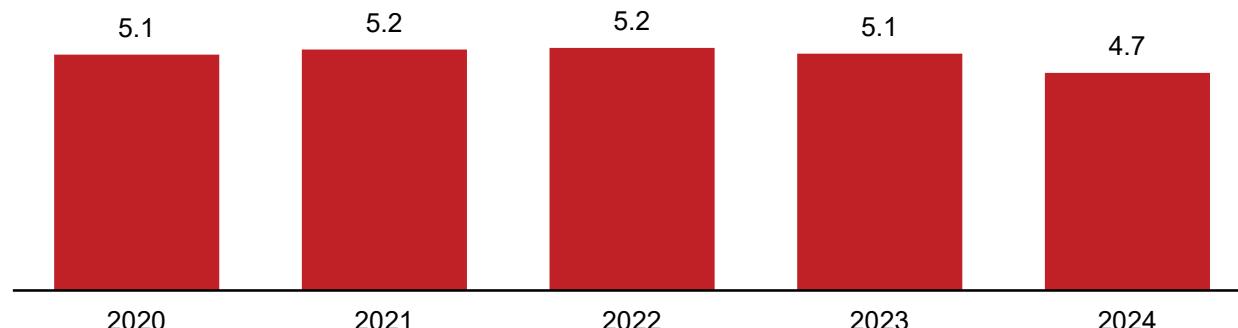
vii. Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members in pay status receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

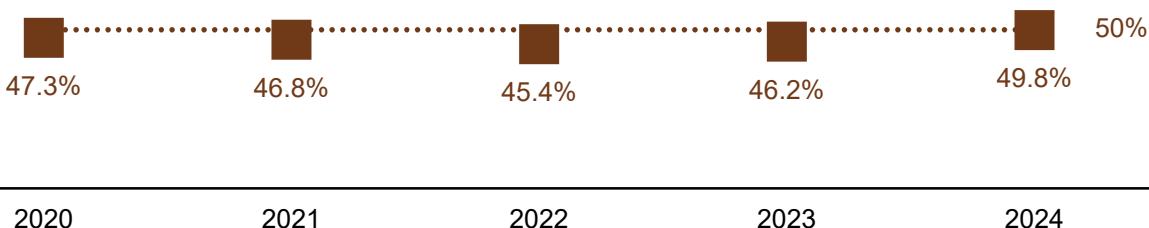
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)

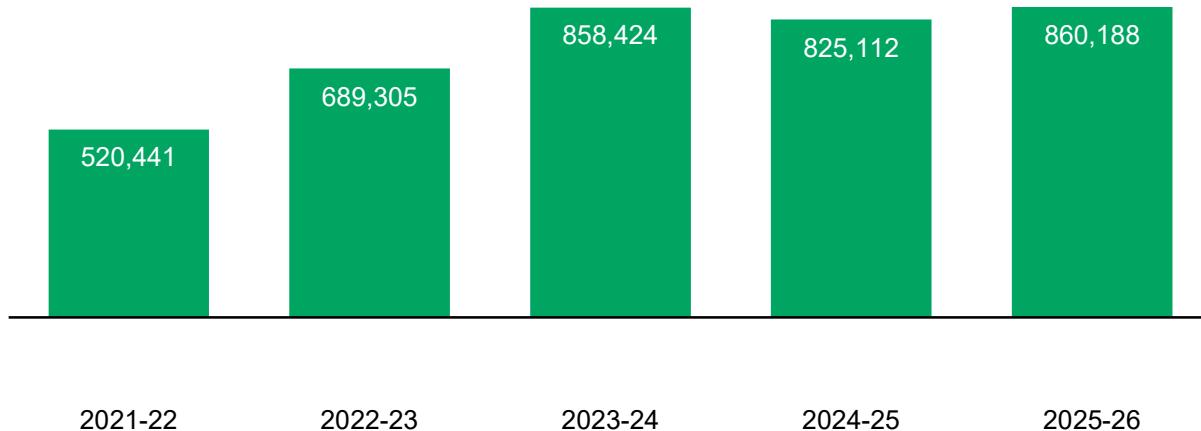


Funded Ratio



viii. Actuarially Determined Contribution (ADC)

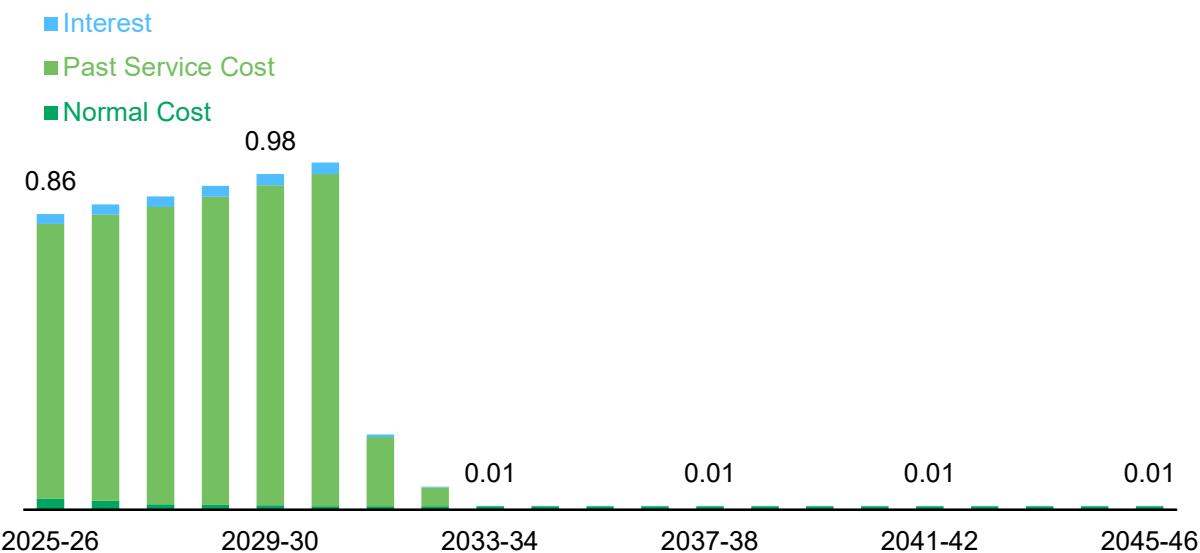
The ADC consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing of the contribution relative to the valuation date. The ADC for fiscal year 2025-26 is \$860,188. The ADC for the past five years is shown below:



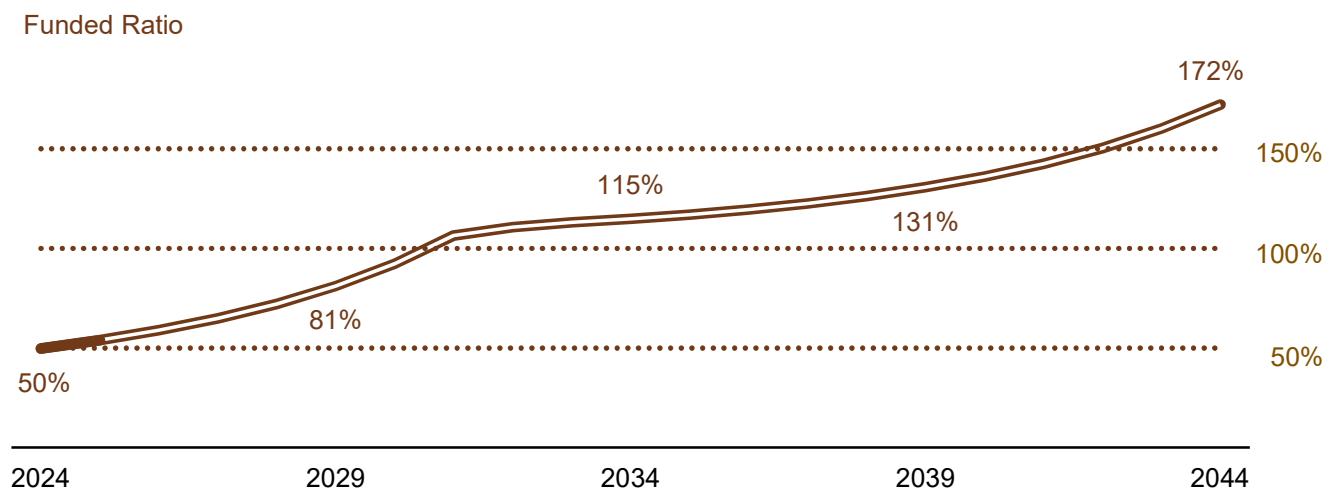
Actuarial Standard of Practice (ASOP) No. 4 requires the actuary to calculate and disclose a 'reasonable' ADC, which considers whether the actuarial methods and actuarial assumptions are in compliance with all applicable ASOPs. Based on the actuarial assumptions and methods used in this report, we believe the ADC meets this standard and reflects a balance among benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic costs.

ix. Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following long-range Actuarially Determined Contributions (in \$ millions):



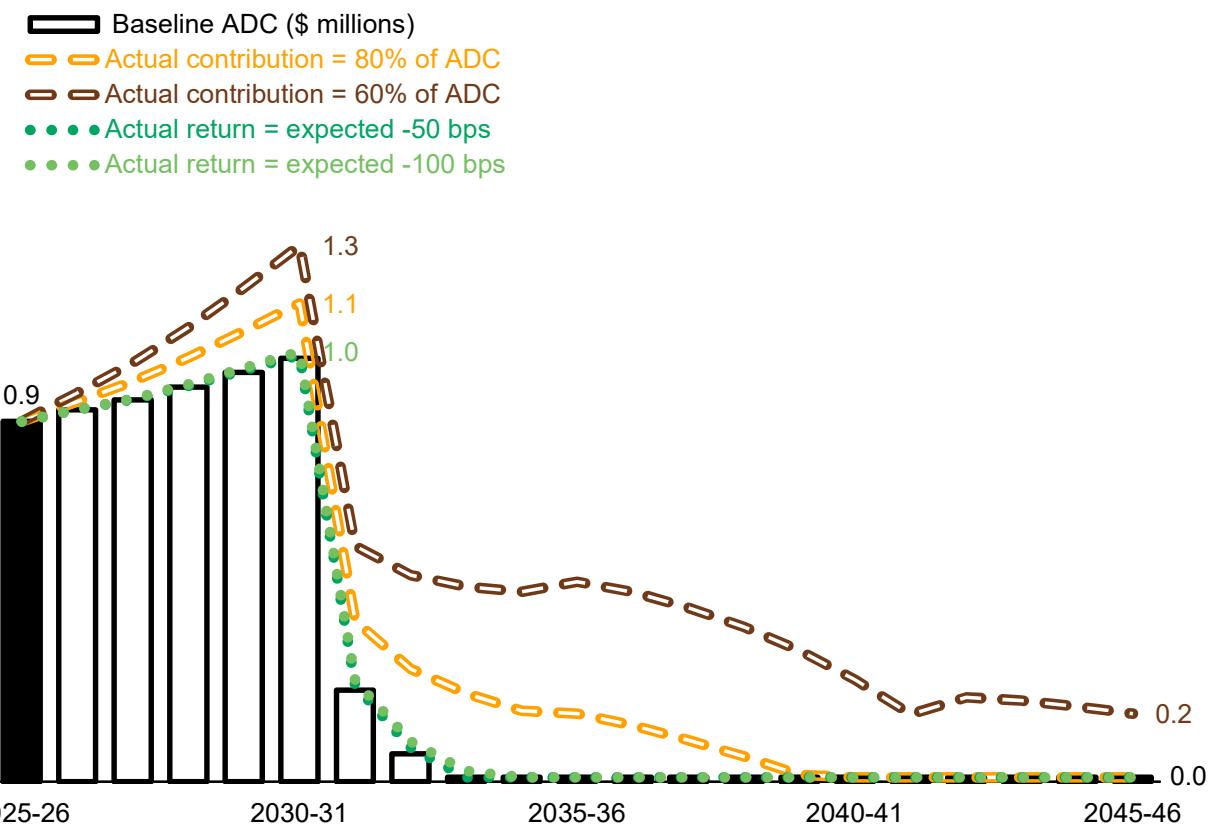
On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2031. Over time, the funded ratio is expected to change as follows:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

ix. Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the Town and from active members, and investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



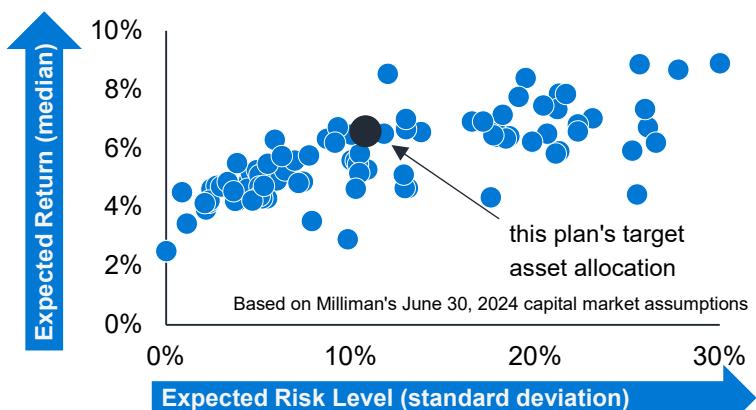
The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

x. Asset Allocation Considerations

Monies that flow out of a pension plan (benefits and expenses) must be matched over the long term by monies that flow into the plan (contributions and investment income). This is expressed in a classic equation: **B** (benefits) + **E** (expenses) = **C** (contributions) + **I** (investment income).

Actuarial assumptions enable us to anticipate the long-term levels of **B** (benefits) and **E** (expenses) that will be paid out of the plan. In order to determine the appropriate level of **C** (contributions) that should come in to the plan, we must first anticipate the long-term level of **I** (investment income) the plan is likely to receive. That is why, for purposes of determining future funding levels, we measure **this** plan's liability using the long-term rate of investment returns **this** plan's portfolio is expected to generate.

Pension plans construct their portfolios by allocating assets across a wide range of asset classes with different risk and return profiles; the graph includes nearly 100 asset classes that pension plans invest in. As the graph illustrates, asset classes with higher expected returns also have higher risk levels; that is, a higher likelihood of experiencing both very good returns and very bad returns. Asset classes with lower expected returns also have lower risk levels.



The plan's target allocation represents a balance. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future Town contributions, but the lower risk levels would result in lower year-over-year volatility in the Actuarially Determined Contribution and might provide more benefit security for plan members. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future Town contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan members.

In the graph above, the asset class with the lowest risk level is US Cash, and the asset class with the highest risk level is Private Equity. If the plan were invested 100% in either of these extremes, it would impact the interest rate assumption and therefore the Accrued Liability, Funded Ratio, and ultimately the Town's annual contributions; the volatility of the contributions would also change based on the risk level of the portfolio:

	100% US Cash *	Plan's Interest Rate Assumption	100% Private Equity
Expected long-term return (median)	3.4%	6.50%	8.9%
Expected risk level (standard deviation)	1.1%	10.8%	30.0%
Accrued Liability on July 1, 2024 **	\$11.6 million	\$9.3 million	\$7.8 million
Funded Ratio on July 1, 2024 ***	40%	50%	59%

* This would be considered a "low-default-risk obligation measure" (LDROM) using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate; the plan's duration on the valuation date, as measured for GASB 68 purposes, was used to estimate the impact of the interest rate difference relative to the valuation interest rate assumption.

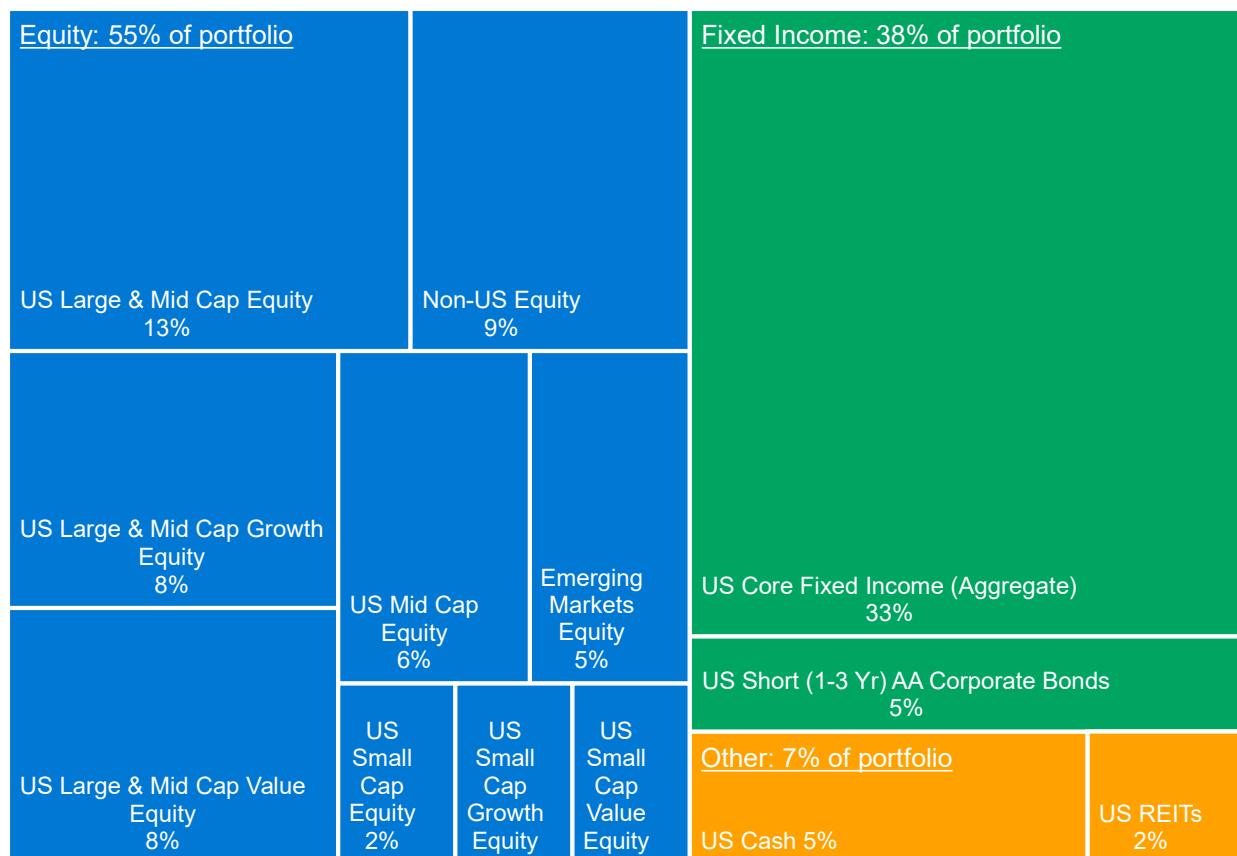
*** Measured using the Actuarial Value of Assets

1. Summary of Fund Transactions

Market Value as of July 1, 2023	\$4,014,168
Town Contributions	858,424
Member Contributions	2,087
Net Investment Income	473,342
Benefit Payments	(821,802)
Administrative Expenses	(22,011)
Market Value as of June 30, 2024	4,504,208
Expected Return on Market Value of Assets	261,404
Market Value (Gain)/Loss	(211,938)
Approximate Rate of Return *	11.77%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the year.

Target Asset Allocation as of June 30, 2024



2. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses asymptotically over a five year period. The Actuarial Value of Assets as of July 1, 2024 is determined below.

1.	Expected Actuarial Value of Assets:	
	a. Actuarial Value of Assets as of July 1, 2023	\$4,363,289
	b. Town Contributions and Member Contributions	860,511
	c. Benefit Payments and Administrative Expenses	(843,813)
	d. Expected Earnings Based on 6.50% Interest	<u>284,156</u>
	e. Expected Actuarial Value of Assets as of July 1, 2024	4,664,143
2.	Market Value of Assets as of July 1, 2024	4,504,208
3.	Amount Recognized as of July 1, 2024: 20% of [(2) - (1e)]	(31,987)
4.	Actuarial Value of Assets as of July 1, 2024: (1e) + (3)	4,632,156
5.	Approximate Rate of Return on Actuarial Value of Assets	5.77%

3. Funded Status

	July 1, 2023	July 1, 2024
1. Accrued Liability		
Active Members	\$1,949,200	\$2,057,140
Terminated Members	36,839	39,296
Service Retirees	6,706,490	6,493,011
Disabled Retirees	219,369	213,214
Beneficiaries	<u>539,870</u>	<u>507,960</u>
Total	9,451,768	9,310,621
2. Actuarial Value of Assets (see Exhibit 2)	4,363,289	4,632,156
3. Unfunded Accrued Liability: (1) - (2)	5,088,479	4,678,465
4. Funded Ratio: (2) / (1)	46.2%	49.8%

4. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent with layered 10-year bases. Each year a new amortization base is established for the actuarial gains or losses that have emerged since the last valuation.

1. Amortization Bases Established in Prior Years

Date Established	Original Amount	(a) Outstanding Balance		Years Remaining July 1, 2024	(b) Annual Amortization Payment
		July 1, 2024	July 1, 2024		
July 1, 2020	\$5,072,924	\$3,679,709		6	\$661,764
July 1, 2021	383,882	309,221		7	48,386
July 1, 2022	386,905	339,867		8	47,232
July 1, 2023	290,339	<u>273,803</u>		9	<u>34,328</u>
Total		4,602,600			791,710

2. Unfunded Accrued Liability as of July 1, 2024 (see Exhibit 3)	4,678,465
3. New Amortization Based Established July 1, 2024: (2) - (1a Total)	75,865
4. Amortization Period for New Amortization Base	10
5. Amortization Growth Rate	3.25%
6. Amortization Payment for July 1, 2024: (3) amortized over (4)	8,687
7. Past Service Cost: (1b Total) + (6)	800,397

5. Actuarial Gains / Losses

From one valuation to the next, the Accrued Liability and the Actuarial Value of Assets may change in ways that were not anticipated by the actuarial assumptions that were used in the last valuation. If the Accrued Liability is lower than expected or the Actuarial Value of Assets is higher than expected, we say that the plan has experienced an 'actuarial gain', and if the Accrued Liability is higher than expected or the Actuarial Value of Assets is lower than expected, we say that the plan has experienced an 'actuarial loss'. The actuarial gains / (losses) that arose during 2023-24 are shown below, along with the impact of plan changes and changes in the actuarial assumptions and method. Please see page 4 for more details on any changes since the last valuation.

	Accrued Liability A	Actuarial Value of Assets B	Unfunded Accrued Liability = A - B
1. Value as of July 1, 2023	\$9,451,768	\$4,363,289	\$5,088,479
2. Normal Cost as of July 1, 2023	23,133		23,133
3. Town Contributions during 2023-24		858,424	(858,424)
4. Member Contributions during 2023-24		2,087	(2,087)
5. Benefit Payments during 2023-24	(821,802)	(821,802)	0
6. Administrative Expenses during 2023-24		(22,011)	22,011
7. One year of interest on (1) thru (2) at 6.50%	615,869	283,614	332,255
8. Half year of interest on (3) thru (6) at 6.50%	<u>(26,709)</u>	<u>542</u>	<u>(27,251)</u>
9. Expected value as of July 1, 2024	9,242,259	4,664,143	4,578,116
10. Actual value as of July 1, 2024 before any plan, assumption, or method changes	9,310,621	4,632,156	4,678,465
11. Experience gains / losses: (10) - (9)	68,362	(31,987)	100,349
12. Impact of plan changes (see page 4)	0	0	0
13. Impact of assumption changes (see page 4)	0	0	0
14. Impact of method changes (see page 4)	0	0	0
15. Final value as of July 1, 2024	9,310,621	4,632,156	4,678,465

6. Actuarially Determined Contribution

	2024-25	2025-26
1. Total Normal Cost	\$23,133	\$23,538
2. Expected Member Contributions	2,327	2,434
3. Expected Administrative Expenses	10,000	10,000
4. Net Normal Cost: (1) - (2) + (3)	30,806	31,104
5. Past Service Cost (see Exhibit 4)	766,789	800,397
6. Interest on (4) + (5) reflecting monthly payments	27,517	28,687
7. Actuarially Determined Contribution: (4) + (5) + (6)	825,112	860,188
8. Payroll	405,300	405,766
9. Actuarially Determined Contribution as a Percent of Payroll	203.6%	212.0%

7. Long Range Funded Status Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
7/1/2024	\$9,310,621	\$4,632,156	\$4,678,465	49.75%
7/1/2025	9,091,000	4,904,000	4,187,000	53.94%
7/1/2026	8,818,000	5,201,000	3,617,000	58.98%
7/1/2027	8,460,000	5,492,000	2,968,000	64.92%
7/1/2028	8,063,000	5,817,000	2,246,000	72.14%
7/1/2029	7,664,000	6,220,000	1,444,000	81.16%
7/1/2030	7,236,000	6,688,000	548,000	92.43%
7/1/2031	6,810,000	7,253,000	(443,000)	106.50%
7/1/2032	6,388,000	7,069,000	(681,000)	110.66%
7/1/2033	5,972,000	6,750,000	(778,000)	113.04%
7/1/2034	5,562,000	6,388,000	(826,000)	114.86%
7/1/2035	5,160,000	6,038,000	(878,000)	117.01%
7/1/2036	4,769,000	5,702,000	(933,000)	119.57%
7/1/2037	4,388,000	5,381,000	(993,000)	122.63%
7/1/2038	4,020,000	5,077,000	(1,057,000)	126.30%
7/1/2039	3,666,000	4,791,000	(1,125,000)	130.71%
7/1/2040	3,327,000	4,526,000	(1,199,000)	136.04%
7/1/2041	3,004,000	4,281,000	(1,277,000)	142.52%
7/1/2042	2,698,000	4,059,000	(1,361,000)	150.44%
7/1/2043	2,410,000	3,860,000	(1,450,000)	160.17%

8. Long Range Cash Flow Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Fiscal Year	Town Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2025-26	\$860,188	\$1,693	(\$850,916)	(\$10,000)	\$965
2026-27	888,000	1,000	(905,000)	(10,000)	(26,000)
2027-28	911,000	0	(916,000)	(10,000)	(15,000)
2028-29	942,000	0	(893,000)	(10,000)	39,000
2029-30	977,000	0	(894,000)	(10,000)	73,000
2030-31	1,010,000	0	(864,000)	(10,000)	136,000
2031-32	218,000	0	(834,000)	(10,000)	(626,000)
2032-33	66,000	0	(802,000)	(10,000)	(746,000)
2033-34	10,000	0	(770,000)	(10,000)	(770,000)
2034-35	10,000	0	(736,000)	(10,000)	(736,000)
2035-36	10,000	0	(702,000)	(10,000)	(702,000)
2036-37	10,000	0	(666,000)	(10,000)	(666,000)
2037-38	10,000	0	(630,000)	(10,000)	(630,000)
2038-39	10,000	0	(594,000)	(10,000)	(594,000)
2039-40	10,000	0	(557,000)	(10,000)	(557,000)
2040-41	10,000	0	(520,000)	(10,000)	(520,000)
2041-42	10,000	0	(483,000)	(10,000)	(483,000)
2042-43	10,000	0	(447,000)	(10,000)	(447,000)
2043-44	10,000	0	(411,000)	(10,000)	(411,000)
2044-45	10,000	0	(376,000)	(10,000)	(376,000)

9. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$5,184,398	\$8,422,304	\$3,237,906	61.6%
July 1, 2014	5,403,697	8,599,673	3,195,976	62.8%
July 1, 2015	5,451,792	8,999,647	3,547,855	60.6%
July 1, 2016	5,309,383	9,136,443	3,827,060	58.1%
July 1, 2017	5,086,422	9,075,520	3,989,098	56.0%
July 1, 2018	4,940,746	9,243,064	4,302,318	53.5%
July 1, 2019	4,692,808	9,752,741	5,059,933	48.1%
July 1, 2020	4,561,068	9,633,992	5,072,924	47.3%
July 1, 2021	4,554,398	9,733,701	5,179,303	46.8%
July 1, 2022	4,331,990	9,547,738	5,215,748	45.4%
July 1, 2023	4,363,289	9,451,768	5,088,479	46.2%
July 1, 2024	4,632,156	9,310,621	4,678,465	49.8%

10. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2014-15	\$338,976	\$338,976	\$1,133,716	29.9%
2015-16	318,927	318,927	1,181,066	27.0%
2016-17	418,968	418,968	1,083,439	38.7%
2017-18	435,972	435,972	884,723	49.3%
2018-19	405,824	405,824	839,595	48.3%
2019-20	460,817	460,817	687,009	67.1%
2020-21	474,637	474,637	686,004	69.2%
2021-22	520,441	520,441	562,940	92.5%
2022-23	689,305	689,305	394,226	174.9%
2023-24	858,424	858,424	362,737	236.7%
2024-25	825,112	TBD	405,300	TBD
2025-26	860,188	TBD	405,766	TBD

11. Reconciliation of Membership from Prior Valuation

Details of the changes in the plan's membership since the last valuation are shown below. Additional details on the membership are provided in the following exhibits.

	Active Members	Terminated Vested Members	Nonvested Members Due Refunds	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2023	5	2	0	55	2	13	77
Terminated							
- no benefits due	-	-	-	-	-	-	0
- refund due	-	-	-	-	-	-	0
- paid refund	-	-	-	-	-	-	0
- vested benefits due	-	-	-	-	-	-	0
Retired	-	-	-	-	-	-	0
Died							
- with beneficiary	-	-	-	-	-	-	0
- no beneficiary	-	-	-	(1)	-	(1)	(2)
Benefits expired	-	-	-	-	-	-	0
New member	-	-	-	-	-	-	0
Rehired	-	-	-	-	-	-	0
New Alternate Payee	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count July 1, 2024	5	2	0	54	2	12	75

12. Statistics of Active Membership

	July 1, 2023	July 1, 2024
Number of Active Members	5	5
Average Age	62.1	63.1
Average Service	33.6	34.6
Payroll	\$405,300	\$405,766
Average Payroll	81,060	81,153

13. Statistics of Inactive Membership

	July 1, 2023	July 1, 2024
Terminated Vested Members		
Number	2	2
Total Annual Benefit	\$3,423	\$3,423
Average Annual Benefit	1,712	1,712
Average Age	63.6	64.6
<hr/>		
Nonvested Members Due Refunds		
Number	0	0
<hr/>		
Service Retirees		
Number	55	54
Total Annual Benefit	\$720,447	\$717,547
Average Annual Benefit	13,099	13,288
Average Age	78.7	79.7
<hr/>		
Disabled Retirees		
Number	2	2
Total Annual Benefit	\$29,453	\$29,453
Average Annual Benefit	14,727	14,727
Average Age	75.3	76.3
<hr/>		
Beneficiaries		
Number	13	12
Total Annual Benefit	\$70,483	\$67,510
Average Annual Benefit	5,422	5,626
Average Age	78.4	78.6

14. Distribution of Inactive Membership as of July 1, 2024

	Age	Number	Annual Benefits
Terminated Vested Members			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	2	3,422.88
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	<u>0.00</u>
	Total	2	3,422.88
Service Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	6	111,126.12
	70 - 79	22	413,695.92
	80 - 89	22	182,426.04
	90 +	4	<u>10,299.36</u>
	Total	54	717,547.44
Disabled Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	1	14,176.20
	70 - 79	0	0.00
	80 - 89	1	15,276.72
	90 +	0	<u>0.00</u>
	Total	2	29,452.92
Beneficiaries			
	< 50	1	\$6,716.28
	50 - 59	1	5,686.80
	60 - 69	0	0.00
	70 - 79	3	15,089.04
	80 - 89	6	35,427.72
	90 +	1	<u>4,590.00</u>
	Total	12	67,509.84

Appendix A - Actuarial Funding Method

Cost Method

The actuarial cost method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.

The Normal Cost is determined by calculating the present value of future benefits for present Active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination for each individual. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Members in Pay Status and Terminated Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Asset Smoothing Method

The Actuarial Value of Assets is determined by recognizing market gains and losses asymptotically over a five year period.

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Actuarial Value of Assets. This Unfunded Accrued Liability is amortized as a level percent with layered 10-year bases.

Long-Range Forecast

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate	6.50%
Inflation	2.50%
Amortization Growth Rate	3.25%
Expenses	\$10,000 per year
Salary Scale	3.25%
Payout for Unused Days	12% load on active liability and normal cost
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover	Age	Rate
	20	11.8%
	25	9.4%
	30	7.0%
	35	5.4%
	40	3.8%
	45	2.2%
	50	1.5%
	55	1.0%
	60	0.5%

Retirement	Age	Rate
	55-58	1.0%
	59-61	5.0%
	62-64	10.0%
	65	50.0%
	66-69	30.0%
	70	100.0%

100% of employees are assumed to retire at 30 or more years of service upon attainment of age 65.

Appendix B - Actuarial Assumptions

Disability	Age	Rate
	20	0.05%
	25	0.05%
	30	0.05%
	35	0.06%
	40	0.09%
	45	0.18%
	50	0.40%
	55	0.85%
	60	1.74%

Marital Status 75% of members are assumed to be married with female spouses 3 years younger than the male spouses.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Employees Covered	Any full-time and permanent part-time employee in the employ of the Town of North Branford, including individuals covered by the Board of Education, the Cafeteria and the Town of North Branford, and excluding police employees. No new employees can join the plan after October 1, 1999.																			
Eligibility	Age 21 and completion of one year of Credited Service																			
Member's Contributions	<table><thead><tr><th>Effective Date</th><th>Rate</th></tr></thead><tbody><tr><td>Prior to July 1, 2000</td><td>1.00%</td></tr><tr><td>July 1, 2000 - June 30, 2002</td><td>2.50%</td></tr><tr><td>July 1, 2002 - June 30, 2015</td><td>4.00%</td></tr><tr><td>July 1, 2015 - June 30, 2016</td><td>4.25%</td></tr><tr><td>July 1, 2016 - June 30, 2017</td><td>4.50%</td></tr><tr><td>July 1, 2017 - June 30, 2018</td><td>4.75%</td></tr><tr><td>July 1, 2018 - June 30, 2019</td><td>5.00%</td></tr><tr><td>July 1, 2019 and after</td><td>5.25%</td></tr></tbody></table>		Effective Date	Rate	Prior to July 1, 2000	1.00%	July 1, 2000 - June 30, 2002	2.50%	July 1, 2002 - June 30, 2015	4.00%	July 1, 2015 - June 30, 2016	4.25%	July 1, 2016 - June 30, 2017	4.50%	July 1, 2017 - June 30, 2018	4.75%	July 1, 2018 - June 30, 2019	5.00%	July 1, 2019 and after	5.25%
Effective Date	Rate																			
Prior to July 1, 2000	1.00%																			
July 1, 2000 - June 30, 2002	2.50%																			
July 1, 2002 - June 30, 2015	4.00%																			
July 1, 2015 - June 30, 2016	4.25%																			
July 1, 2016 - June 30, 2017	4.50%																			
July 1, 2017 - June 30, 2018	4.75%																			
July 1, 2018 - June 30, 2019	5.00%																			
July 1, 2019 and after	5.25%																			
<hr/>																				
Effective July 1, 2005, there are no contributions after 30 years of Credited Service. Interest is credited at a rate of 3.50% per annum.																				
Credited Service	Whole years and full months from date of hire, maximum of 30 years.																			
Earnings	Basic Compensation including overtime, commissions, bonuses, and any other form of additional compensation excluding any maintenance or special payments.																			
Final Average Earnings	Average Earnings paid to a member during the highest 36 consecutive months out of active employment.																			
Vesting	100% Vested after 7 years of Credited Service. If vested, may elect a refund of contributions in lieu of pension.																			
Normal Form of Annuity	Life Annuity.																			

Appendix C - Summary of Plan Provisions

Normal Retirement Eligibility Age 65 with 5 years of contributory service.

Normal Retirement Benefit Multiplier	Termination Date	Service 0-25	Service 26-30
	Prior to July 1, 2001	1.00%	1.00%
	July 1, 2001 - June 30, 2002	1.25%	1.25%
	July 1, 2002 - June 30, 2015	1.50%	1.50%
	July 1, 2015 - June 30, 2016	1.50%	1.60%
	July 1, 2016 - June 30, 2017	1.50%	1.70%
	July 1, 2017 - June 30, 2018	1.50%	1.80%
	July 1, 2018 - June 30, 2019	1.50%	1.90%
	July 1, 2019 and after	1.50%	2.00%

Early Retirement Eligibility Earlier of age 55 and 15 years of Credited Service.

Early Retirement Benefit Benefit based on Credited Service and Final Average Earnings to actual date of retirement reduced by the appropriate early retirement factor as determined by Table C of the Retirement Plan.

Deferred Retirement Eligibility Members may continue to work beyond Normal Retirement.

Deferred Retirement Benefit Benefit based on Credited Service and Final Average Earnings to actual date of retirement.

Disability Retirement Eligibility 20 years of Credited Service.

Disability Retirement Benefit Benefit based on Credited Service and Final Average Earnings to actual date of disability.

Preretirement Death Benefit A monthly survivor benefit is payable on behalf of an employee who has attained age 55 and completed 15 years of Credited Service, and who has a surviving spouse. The monthly benefit will be 50% of the monthly retirement benefit which such employee would have received had the employee retired on the day before death and elected a 50% Joint & Survivor Annuity.

For those not eligible for the survivor benefit, a lump sum benefit is payable equal to the employee contributions with interest.

Postretirement Death Benefit Based on form of benefit elected at retirement.

Appendix D - Risk Disclosure - Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

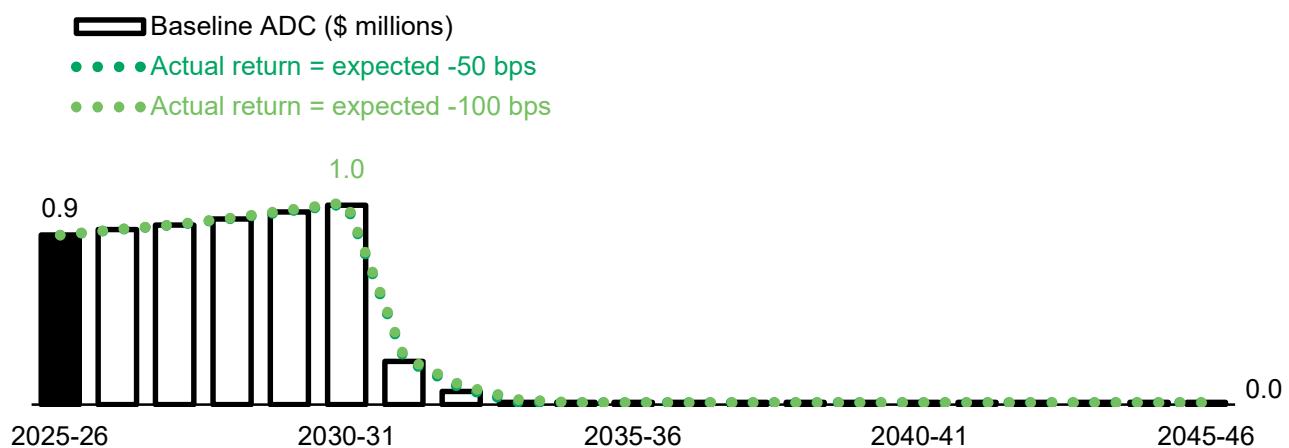
Please see Appendix A for more information on the basis for the projected results shown on the following pages.

Appendix D - Risk Disclosure - Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

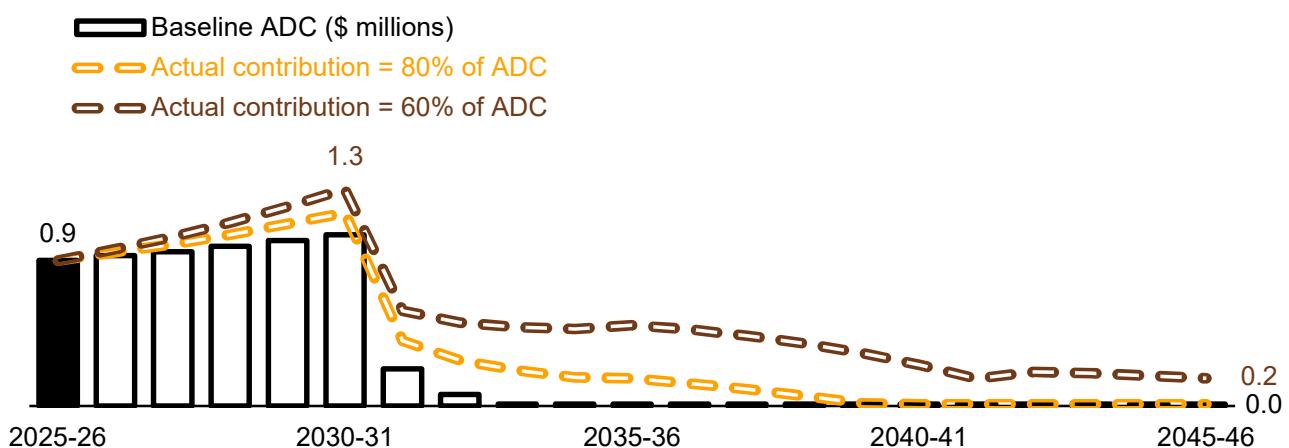
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 10 years, actual contributions have been 100% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Appendix D - Risk Disclosure - Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

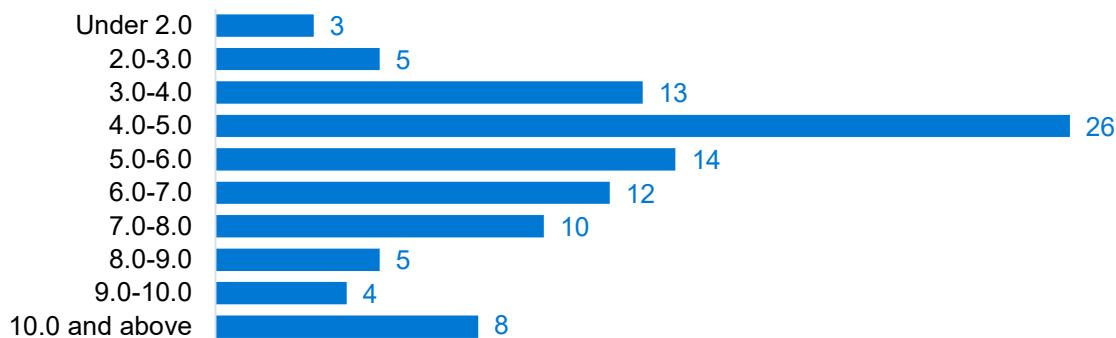
Identification: In 2023-24, the plan had positive cash flow, with town contributions and member contributions to the plan of \$860,511 compared to \$843,813 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the liability for active members.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: As of July 1, 2024, the plan's Asset Volatility Ratio (the ratio of the market value of plan assets to payroll) is 11.1. According to Milliman's 2023 Public Pension Funding Study, the 100 largest US public pension plans have the following range of Asset Volatility Ratios:



Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Appendix D - Risk Disclosure - Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contribution, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

Pensionable Earnings Risk

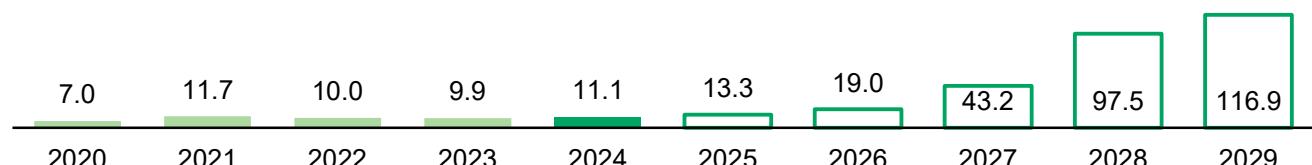
Definition: This is the potential for active members to add items to their pensionable earnings and receive pension benefits that are higher than expected.

Identification: This plan permits members to include the value of unused sick days in their pensionable earnings. We assume that on average the unused sick days will increase benefits by 12%. If the value of unused sick days increases benefits by more than 12% on average, then plan costs will rise over time.

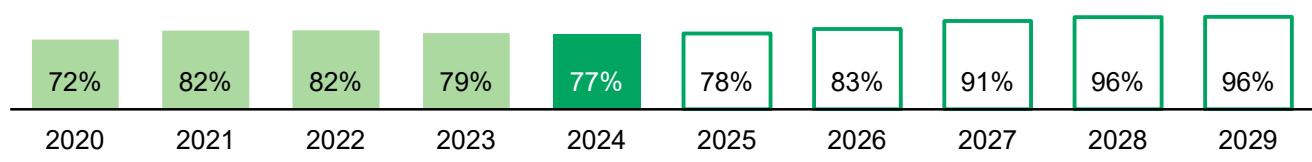
Appendix D - Risk Disclosure - Maturity Metrics

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

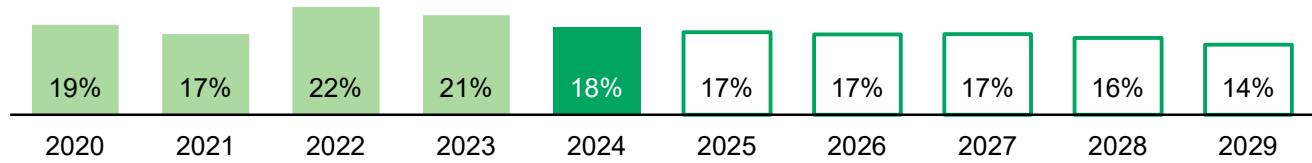
Asset Volatility Ratio: Market Value of Assets compared to Payroll



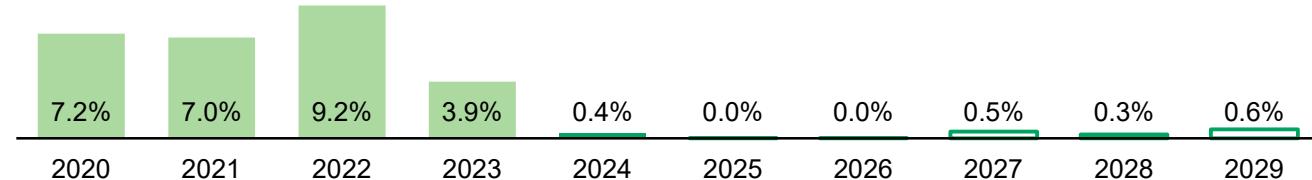
Accrued Liability for Members in Pay Status compared to total Accrued Liability



Benefit Payments compared to Market Value of Assets



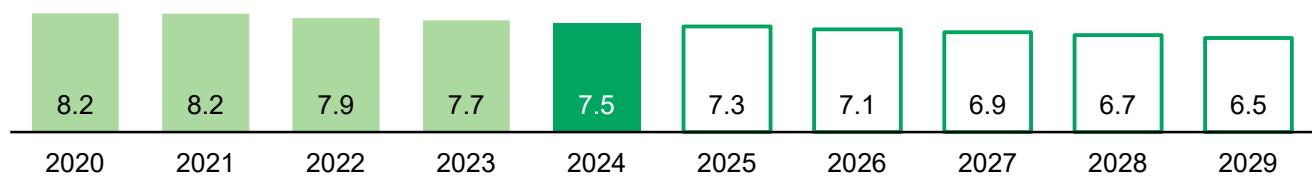
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



Appendix E - Glossary

Actuarial Cost Method	This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Accrued Liability and the Normal Cost.
Accrued Liability	This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).
Actuarial Assumptions	With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.
Actuarial Present Value of Benefits	This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.
Actuarial Value of Assets	This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.
Attribution Period	The period of an active member's service to which the expected benefit obligation for that member is assigned. The beginning of the attribution period is the member's date of hire and costs are spread across all service.
Interest Rate	This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.
Normal Cost	This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.
Past Service Cost	This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.
Return on Plan Assets	This is the actual investment return on plan assets during the fiscal year.
Unfunded Accrued Liability	This is the excess of the Accrued Liability over the Actuarial Value of Assets.

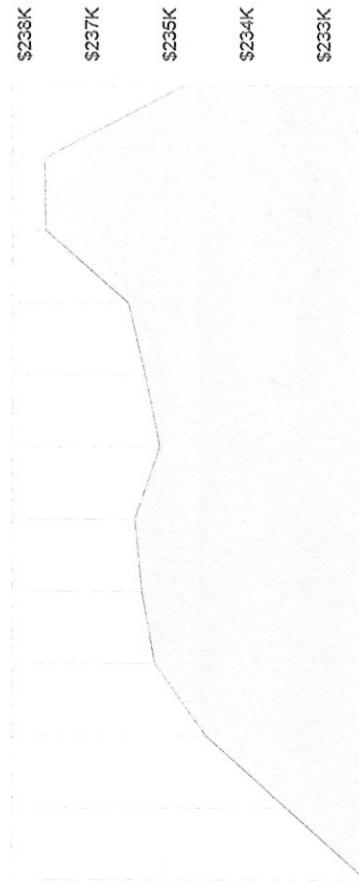


Account Number Statement Period
7684-0175 January 1-31, 2025

Account Summary

Beginning Account Value as of 01/01
\$238,039.61

Ending Account Value as of 01/31
\$235,627.52



	Feb'24	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan'25	This Statement	YTD
Beginning Account Value													\$238,039.61	\$238,039.61
Deposits													0.00	0.00
Withdrawals													0.00	0.00
Dividends and Interest													88.00	880.00
Transfer of Securities													0.00	0.00
Market Appreciation/(Depreciation)													(3,292.09)	(3,292.09)
Expenses													0.00	0.00
Ending Account Value													\$235,627.52	\$235,627.52

Account Ending Value reflects the market value of your cash and investments. It does not include pending transactions, unpriced securities or assets held outside Schwab's custody.



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NORTH BRANFORD POLICE PENSION
U/A DTD 07/01/1970
909 FOXON RD
NORTH BRANFORD CT
06471-11290

Your Independent Investment Manager
and/or Advisor
USI ADVISORS INC
95 GLASTONBURY BLVD STE 102
GLASTONBURY CT
06033
1 (860) 633-5283
The custodian of your brokerage account is:
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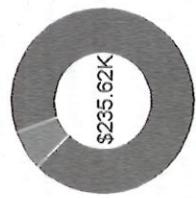
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Schwab One® Trust Account of

A ESPOSITO JR. & M PAULHUS TTE
NORTH BRANFORD POLICE PENSION
U/A DTD 07/01/1970

Statement Period
January 1-31, 2025

Asset Allocation



	This Period Allocation	Current Allocation
Cash and Cash Investments	16,793.89	7%
Other Assets	218,833.63	93%
Total	\$235,627.52	100%

Income Summary

	This Period	Federal Tax Status	Tax-Exempt	Taxable	YTD
Bank Sweep Interest	0.00	0.73	0.00	0.73	0.73
Cash Dividends	0.00	879.27	0.00	879.27	879.27
Total Income	\$0.00	\$880.00	\$0.00	\$880.00	

Top Account Holdings This Period

SYMBOL CUSIP	Description	Market Value	% of Accounts
BLACKSTONE REAL ESTATE I...	218,833.63	93%	
CHARLES SCHWAB BANK	16,793.89	7%	

Gain or (Loss) Summary

	Short-Term (ST)			Long-Term (LT)		
	Gain	(Loss)	Net	Gain	(Loss)	Net
This Period	0.00	0.00	0.00	0.00	0.00	0.00
YTD	0.00	0.00	0.00	0.00	0.00	0.00
Unrealized						\$36,372.64

Values may not reflect all of your gains/losses and may be rounded up to the nearest dollar. Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis may be incomplete or unavailable for some of your holdings and may change or be adjusted in certain cases. Please login to your account at Schwab.com for real-time gain/loss information. Statement information should not be used for tax preparation, instead refer to official tax documents. For additional information refer to Terms and Conditions.

Statement Period
January 1-31, 2025

Positions - Summary

Beginning Value as of 01/01	Transfer of Securities (In/Out)	Dividends	Reinvested	Cash Activity	Change in Market Value	Ending Value as of 01/31	Cost Basis	Unrealized Gain/(Loss)
\$238,039.61	\$0.00		\$0.00	\$880.00	(\$3,292.09)	\$235,627.52	\$182,460.99	\$36,372.64

Values may not reflect all of your gains/losses; Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis may be incomplete or unavailable for some of your holdings and may change or be adjusted in certain cases. Statement information should not be used for tax preparation, instead refer to official tax documents. For additional information refer to Terms and Conditions.

Cash and Cash Investments

Type	Symbol	Description	Quantity	Price(\$)	Beginning Balance(\$)	Change in Period Balance(\$)	Pending/Unsettled Cash(\$)	Interest/ Yield Rate	% of Acct
Bank Sweep		CHARLES SCHWAB BANK ^{A,B}			15,913.89	16,793.89	880.00	0.05%	7%
		Total Cash and Cash Investments			\$15,913.89	\$16,793.89	\$880.00	7%	

Positions - Other Assets

Symbol	Description	Quantity	Price(\$)	Market Value(\$)	Cost Basis(\$)	Unrealized Gain/(Loss)(\$)	Est. Annual Income(\$)	Est. Yield	% of Acct
	BLACKSTONE REAL ESTATE ^E INCOME TRUST CLASS I	15,957.7660	13.71330	218,833.63	182,460.99	36,372.64	N/A	N/A	93%
	Total Other Assets			\$218,833.63	\$182,460.99	\$36,372.64	\$0.00	93%	

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Transactions - Summary

	Beginning Cash* as of 01/01	Deposits	Withdrawals	Purchases	Sales/Redemptions	Dividends/Interest	Expenses	= Ending Cash* as of 01/31
	\$15,913.89	\$0.00	\$0.00	\$0.00	\$0.00	\$880.00	\$0.00	\$16,793.89
Other Activity	\$0.00							

*Cash (includes any cash debit balance) held in your account plus the value of any cash invested in a sweep money fund.

Other activity includes transactions which don't affect the cash balance such as stock transfers, splits, etc.





Statement Period
January 1-31, 2025

Transaction Details

Date	Category	Action	Symbol/ CUSIP	Description	Quantity	Price/Rate per Share(\$)	Charges/ Interest(\$)	Amount(\$)	Realized Gain/(Loss)(\$)
01/16	Interest	Bank Interest	A,B	BANK INT 121624-011525				0.73	
01/22	Dividend	Cash Dividend		BLACKSTONE REAL ESTATE				879.27	
Total Transactions								\$880.00	\$0.00

Date column represents the Settlement/Process date for each transaction.

Bank Sweep for Benefit Plans Activity

Date	Description	Amount	Date	Description
01/01	Beginning Balance	A,B	\$15,913.89	01/31 Ending Balance
01/15	BANK INTEREST - CHARLES SCHWAB BANK	A,B		
01/23	BANK CREDIT FROM BROKERAGE	A	0.73	01/31 Interest Rate *
			879.27	

* Your interest period was 12/16/24 - 01/15/25. B

Endnotes For Your Account

A^E This direct participation program or real estate investment trust security is not listed on a national securities exchange and is generally illiquid. If you are able to sell such security, the price received may be less than the per share estimated value shown on your account statement.

A Bank Sweep for Benefit Plans deposits are held at one or more FDIC-insured Program Banks. Charles Schwab & Co., Inc. is not an FDIC-insured bank and deposit insurance covers the failure of an insured bank. Certain conditions must be satisfied for FDIC insurance coverage to apply. Please review the Cash Features Program Disclosure Statement for a list of the Program Banks at schwab.com/cashfeaturesdisclosure.

Terms and Conditions

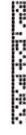
GENERAL INFORMATION AND KEY TERMS: This Account statement is furnished solely by Charles Schwab & Co., Inc. ("Schwab") for your Account at Schwab ("Account"). Unless otherwise defined herein, capitalized terms have the same meanings as in your Account Agreement. If you receive any other communication from any source other than Schwab which purports to represent your holdings at Schwab (including balances held at a Depository Institution) you should verify its content with this statement. **Accrued Income:** Accrued Income is the sum of the total accrued interest and/or accrued dividends on positions held in your Account, but the interest and/or dividends have not been received into your Account. Schwab makes no representation that the amounts shown (or any other amount) will be received. Accrued amounts are not covered by SIPC account protection until actually received and held in the Account. **(Automatic Investment Plan) Customers:** Schwab receives remuneration in connection with certain

transactions effected through Schwab. If you participate in a systematic investment program through Schwab, the additional information normally detailed on a trade confirmation will be provided upon request. **Average Daily Balance:** Average daily composite of all cash balances that earn interest and all loans from Schwab that are charged interest. **Bank Sweep and Bank Sweep for Benefit Plans Features:** Schwab acts as your agent and custodian in establishing and maintaining your Deposit Account(s), as a feature of your brokerage Account(s). Deposit accounts held through these bank sweep features constitute direct obligations of one or more FDIC insured banks ("Program Banks") that are not obligations of Schwab. Funds swept to Program Banks are eligible for deposit insurance from the FDIC up to the applicable limits for each bank for funds held in the Program Accounts can be withdrawn on your order and the proceeds returned to your brokerage Account or remitted to you as provided

Terms and Conditions (continued)

In your Account Agreement, For information on FDIC insurance and its limits, as well as other important disclosures about the bank sweep feature(s) in your Account(s), please refer to the Cash Features Disclosure Statement available online or from a Schwab representative. **Cash:** Any Free Credit Balance owed by us to you payable upon demand which, although accounted for on our books of record, is not segregated and may be used in the conduct of this firm's business. **Dividend Reinvestment Customers:** Dividend reinvestment transactions were effected by Schwab acting as a principal for its own account, except for the reinvestment of Schwab dividends, for which an independent broker-dealer acted as the buying agent. Further information on these transactions will be furnished upon written request. **Gain (or Loss):** Unrealized Gain or (Loss) and Realized Gain or (Loss) sections ("Gain/Loss Section(s)") contain a gain or a loss summary of your Account. This information has been provided on this statement at the request of your Advisor, if applicable. This information is not a solicitation or a recommendation to buy or sell. Schwab does not provide tax advice and encourages you to consult with your tax professional. Please view the Cost Basis Disclosure Statement for additional information on how gain (or loss) is calculated and how Schwab reports adjusted cost basis information to the IRS. **Interest:** For the Schwab One Interest, Bank Sweep, and Bank Sweep for Benefit Plans features, interest is paid for a period that may differ from the Statement Period. Balances include interest paid as indicated on your statement by Schwab or one or more of its Program Banks. These balances do not include interest that may have accrued during the Statement Period after interest is paid. The interest paid may include interest that accrued in the prior Statement Period. For the Schwab One Interest feature, interest accrues daily from the second-to-last business day of the prior month and is posted on the second-to-last business day of the current month. For the Bank Sweep and Bank Sweep for Benefit Plans features, interest accrues daily from the 16th day of the prior month and is credited/posted on the first business day after the 15th of the current month. If, on any given day, the interest that Schwab calculates for the Free Credit Balances in the Schwab One Interest feature in your brokerage Account is less than \$0.05, you will not accrue any interest on that day. For balances held at banks affiliated with Schwab in the Bank Sweep and Bank Sweep for Benefit Plans features, interest will accrue even if the amount is less than \$0.05. **Margin Account Customers:** This is a combined statement of your margin account and special memorandum account maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection. Securities purchased on margin are Schwab's collateral for the loan to you. It is important that you fully understand the risks involved in trading securities on margin. These risks include: 1) You can lose more funds than you deposit in the margin account; 2) Schwab can force the sale of securities or other assets in any of your account(s) to maintain the required account equity without contacting you; 3) You are not entitled to choose which assets are liquidated nor are you entitled to an extension of time on a margin call; 4) Schwab can increase its "house" maintenance margin requirements at any time without advance written notice to you. **Market Price:** The most recent price evaluation available to Schwab on the last business day of the report period, normally the last trade price or bid as of market close. Unpriced securities denote that no market evaluation update is currently available. Price evaluations are obtained from outside parties. Schwab shall have no responsibility for the accuracy or timeliness of any such valuations. Assets Not Held at Schwab are not held in your Account or covered by the Account's SIPC account protection and are not otherwise in Schwab's custody and are being provided as a courtesy to you. Information on Assets Not Held at Schwab, including but not limited to valuations, is reported solely based on information you provide to Schwab. Schwab can neither validate nor certify the existence of Assets Not Held at Schwab or the accuracy, completeness or timeliness of the information about Assets Not Held at Schwab, whether provided by you or otherwise. Descriptions of Assets Not Held at Schwab may be abbreviated or truncated. Some securities, especially thinly traded equities in the OTC market or foreign markets, may not report the most current price and are indicated as Stale Priced. Certain Limited Partnerships (direct participation programs) and unlisted Real Estate Investment Trust (REIT) securities, for which you may see a value on

your monthly Account statement that reflects the issuer's appraised estimated value, are not listed on a national securities exchange, and are generally illiquid. Even if you are able to sell such securities, the price received may be less than the per share appraised estimated value provided in the account statement. **Market Value:** The Market Value is computed by multiplying the Market Price by the Quantity of Shares. This is the dollar value of your present holdings in your specified Schwab Account or a summary of the Market Value summed over multiple accounts. **Non-Publicly Traded Securities:** All assets shown on this statement, other than certain direct investments which may be held by a third party, are held in your Account. Values of certain Non-Publicly Traded Securities may be furnished by a third party as provided by Schwab's Account Agreement. Schwab shall have no responsibility for the accuracy or timeliness of such valuations. The Securities Investor Protection Corporation (SIPC) does not cover many limited partnership interests. **Schwab Sweep Money Funds:** Includes the primary money market funds into which Free Credit Balances may be automatically invested pursuant to your Account Agreement. Schwab or an affiliate acts and receives compensation as the Investment Advisor, Shareholder Service Agent and Distributor for the Schwab Sweep Money Funds. The amount of such compensation is disclosed in the prospectus. The yield information for Schwab Sweep Money Funds is the current 7-day yield as of the statement period. Yields vary. If on any given day, the accrued daily dividend for your selected sweep money fund as calculated for your account is less than 1/2 of 1 cent (\$0.005), your account will not earn a dividend for that day. In addition, if you do not accrue at least 1 daily dividend of \$0.01 during a pay period, you will not receive a money market dividend for that period. Schwab and the Schwab Sweep Money Funds investment advisor may be voluntarily reducing a portion of a Schwab Sweep Money Fund's expenses. Without these reductions, yields would have been lower. **Securities Products and Services:** Securities products and services are offered by Charles Schwab & Co., Inc., Member SIPC. Securities products and services, including unswept intraday funds and net credit balances held in brokerage accounts are not deposits or other obligations of, or guaranteed by, any bank, are not FDIC insured, and are subject to investment risk and may lose value. SIPC does not cover balances held at Program Banks in the Bank Sweep and Bank Sweep for Benefit Plans features. Please see your Cash Feature Disclosure Statement for more information on insurance coverage. **Yield to Maturity:** This is the actual average annual return on a note if held to maturity. **IN CASE OF ERRORS OR DISCREPANCIES:** If you find an error or discrepancy relating to your brokerage activity (other than an electronic fund transfer) you must notify us promptly, but no later than 10 days after this statement is sent or made available to you. If this statement shows that we have mailed or delivered security certificate(s) that you have not received, notify Schwab immediately. You may call us at 800-435-4000. (Outside the U.S., call +1-415-667-8400.) If you're a client of an independent investment advisor, call us at 800-515-2157. Any oral communications should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). If you do not so notify us, you agree that the statement activity and Account balance are correct for all purposes with respect to those brokerage transactions. **IN CASE OF COMPLAINTS:** If you have a complaint regarding your Schwab statement, products or services, please write to Client Service & Support at Charles Schwab & Co., Inc., P.O. Box 982603 El Paso, TX 79998-2603, or call customer service at 800-435-4000. (Outside the U.S., call +1-415-667-8400.) If you're a client of an independent investment advisor, call us at 800-515-2157. **Address Changes:** If you fail to notify Schwab in writing of any change of address or phone number, you may not receive important notifications about your Account, and trading or other restrictions might be placed on your Account. **Additional Information:** We are required by law to report to the Internal Revenue Service adjusted cost basis information (if applicable), certain payments to you and credits to your Account during the calendar year. Retain this statement for income tax purposes. A financial statement for your inspection is available at Schwab's offices or a copy will be mailed to you upon written request. Any third-party trademarks appearing herein are the property of their respective owners. Charles Schwab & Co., Inc., Charles Schwab Bank, Charles Schwab Premier Bank, and Charles Schwab Trust Bank are separate but affiliated



Schwab One® Trust Account of

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NORTH BRANFORD POLICE PENSION
U/A DTD 07/01/1970

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Statement Period
January 1-31, 2025

Terms and Conditions (continued)

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TRUST BANK

NORTH BRANFORD POLICE PENSION
CAPACITY : CUSTODIAN
ACCOUNT NUMBER: 100935
REPORTING PERIOD: 12/31/24 TO 1/31/25
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YOUR TRUST ADMINISTRATOR IS:
RBS ADVISOR TEAM
877-319-2782

NORTH BRANFORD POLICE PENSION
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Schwab Bank Savings ("SBS") is an interest bearing Money Market Deposit Account ("MMDA") opened with, and maintained by, Charles Schwab Trust Bank ("Trust Bank"). Schwab Trust Bank has been retained as directed trustee or custodian of the Plan. Trust Bank has been directed to establish an MMDA at Trust Bank by the Plan's applicable fiduciaries and has been instructed to process deposits and withdrawals into the MMDA. MMDA ownership will be evidenced by a book entry on the account records of Trust Bank, account records maintained by Schwab Trust Bank for the Plan, and Plan participant account records maintained by the recordkeeper retained by the Plan's plan sponsor or the Plan's applicable fiduciaries. No evidence of ownership, such as a passbook or certificate, will be issued. Any deposit instructions occurring on the same day are aggregated and processed as a single deposit for the Plan as a whole. Similarly, any withdrawal instructions occurring on the same day are aggregated and processed as a single withdrawal for the Plan as a whole. Participant deposit and withdrawal transaction records are maintained by the Plan's recordkeeper.

Schwab Bank Sweep for Employee Benefit Plans ("SBSEBP") is a program in which Trust Bank, as directed trustee or custodian of the Plan's assets, automatically makes deposits to and withdrawals from a liquid savings deposit account established at Trust Bank (the "Deposit Account") to earn interest on cash pending investment or disbursement.

FDIC Insurance: Deposits held by Trust Bank in SBS are insured by the Federal Deposit Insurance Corporation (FDIC). The Maximum Applicable Insurance limit per depositor is \$250,000 for all insurable capacities. The Maximum Applicable Insurance limit for a retirement or other employee benefit plan will vary depending on the type of plan or arrangement.

Generally, for Individual Retirement Accounts (IRAs), self-directed defined contribution plans such as 401(k) or profit-sharing plans, self-directed Keogh plan accounts, and self-directed Section 457 deferred compensation plan accounts, all such accounts owned by the same person with deposits in Trust Bank are aggregated and insured up to \$250,000. Participants in these arrangements are responsible for monitoring the total amount of deposits held at Trust Bank, either directly or through an intermediary such as Charles Schwab & Co., Inc., in order to determine the extent of FDIC coverage available to them.

Defined benefit plans and defined contribution plans which are not considered "self-directed" by the FDIC are insured differently. Each participant's non-contingent interest in the plan is insured up to \$250,000. For plans where the interests are contingent, such as health and welfare plans, the coverage is \$250,000 for the plan itself. The Employer or Plan Administrator is responsible for monitoring uninsured deposit balances and must maintain records which allow the interest of individual participants to be ascertained. The FDIC insurance provided to an individual under these arrangements is separate from the Maximum Applicable Insurance limit on deposits they hold in different insurable capacities with Trust Bank.

All deposits owned by a corporation, partnership or unincorporated association are added together and insured up to \$250,000 separately from the personal accounts of the owners or members. Non-Qualified plans will typically be classified as corporate accounts, regardless as to whether the employee may direct the investments in the plan.

The FDIC insurance rules are complex. Trust Bank is not responsible for monitoring any insured or uninsured portion of any deposit into SBS or SBSEPB. You should consult with your tax or legal advisor to determine applicable record keeping requirements and your available deposit insurance coverage or visit the FDIC website at www.fdic.gov/deposit.index.html.



TRUST BANK

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Interest Calculation and Payment: Interest compounds daily and is credited monthly. Interest is paid on the last business day of each month. Interest credited during this Statement Period and reflected in the ending balance may include interest accrued in a prior Statement Period. A "Business Day" shall mean any Monday through Friday, excluding Federal Reserve Bank or New York Stock Exchange holidays.

Interest Rate: The interest rates reported in this statement are rates in effect during the reporting period(s). Interest rates may change prospectively. Interest rates may be higher or lower than interest rates available to depositors maintaining a deposit relationship directly with Trust Bank or by other depository institutions on comparable accounts, and will likely be lower than other options that involve market risk, such as money market funds. The Plan's applicable named fiduciaries should monitor the interest rates on SBS and SBSEBP in comparison to other investments available to the Plan to determine that the interest rates continue to be reasonable and the use of these products is both prudent and proper. Current rate information can be obtained at src.schwab.com or from your recordkeeper. Please refer to the Plan's MMDA Agreement for SBS terms and conditions and the Disclosure Statement for SBSEBP terms and conditions. (0719-9Z6B).

Charles Schwab Trust Bank and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

The rates and effective dates applicable to this reporting period are included below:

SBS Rate Effective Date:	SBS Interest Rate:	SBSEBP Rate Effective Date:	SBSEBP Interest Rate:
November 30, 2024	1.69000000%	December 23, 2024	0.05000000%
January 01, 2025	1.59000000%		

(0714-4536)

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NORTH BRANFORD POLICE PENSION
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REPORTING PERIOD: 12/31/24 TO 1/31/25
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NORTH BRANFORD POLICE PENSION
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ACCOUNT SUMMARY

RECEIPTS

CASH CONTRIBUTIONS BY:

EMPLOYER	40,540.68
EMPLOYEES	5,308.11

TOTAL CASH CONTRIBUTIONS

TOTAL CONTRIBUTIONS

45,848.79

45,848.79

EARNINGS FROM HOLDINGS:

INTEREST PAID	114.36
DIVIDENDS AND CAPITAL GAINS	12,841.04

TOTAL EARNINGS FROM HOLDINGS

12,955.40

OTHER CASH RECEIPTS:

MISCELLANEOUS RECEIPT	38,420.55
TOTAL OTHER CASH RECEIPTS	38,420.55

NET REALIZED GAINS & LOSSES:

AGGREGATE PROCEEDS	56,282.66
AGGREGATE COSTS	56,282.66-
TOTAL NET REALIZED GAINS & LOSSES	0.00

TOTAL RECEIPTS

97,224.74

DISBURSEMENTS

OTHER DISBURSEMENTS:

TRF/DISB TO PAYING AGENT, WIRE	56,282.66-
TOTAL OTHER DISBURSEMENTS	56,282.66-

TOTAL DISBURSEMENTS

56,282.66-

NET CHANGE

40,942.08

CHANGE IN NET ASSETS

UNREALIZED APPRECIATION

165,501.36

NET ASSETS AT BEGINNING OF PERIOD

7,694,198.53

NET CHANGE IN ASSETS FOR THE PERIOD

206,443.44

NET ASSETS AT END OF PERIOD

7,900,641.97

NORTH BRANFORD POLICE PENSION
 ACCOUNT NUMBER: 100935
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TRANSACTION DETAIL

DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
12/31/24	ENDING BALANCE		\$0.00	\$6,672,135.53	
CASH CONTRIBUTIONS BY EMPLOYER					
EMPLOYER CONTRIBUTION (EBT)					
01/16/25	CASH RECEIPT	40,540.68		0.00	
01/24/25	CASH RECEIPT	40,540.68-		0.00	
01/24/25	CASH RECEIPT	40,540.68		0.00	
TOTAL EMPLOYER CONTRIBUTION (EBT)		40,540.68		0.00	
TOTAL CASH CONTRIBUTIONS BY EMPLOYER		40,540.68		0.00	
CASH CONTRIBUTIONS BY EMPLOYEES					
EMPLOYEE PRE-TAX CONTRIB (EBT)					
01/16/25	CASH RECEIPT	5,308.11		0.00	
01/24/25	CASH RECEIPT	5,308.11-		0.00	
01/24/25	CASH RECEIPT	5,308.11		0.00	
TOTAL EMPLOYEE PRE-TAX CONTRIB (EBT)		5,308.11		0.00	
TOTAL CASH CONTRIBUTIONS BY EMPLOYEES		5,308.11		0.00	
INTEREST PAID					
SCHWAB BANK SAVINGS TICKER: RBS1CSBS					
01/31/25	INTEREST CREDIT Interest from 01/01/2025 to 01/31/2025	110.58		0.00	
TOTAL SCHWAB BANK SAVINGS		110.58		0.00	
SCHWAB BANK SWEEP FOR EE BENEFIT PLN TICKER: RBS2CSBW					
01/31/25	INTEREST CREDIT Interest from 01/01/2025 to 01/31/2025	3.78		0.00	

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NORTH BRANFORD POLICE PENSION
ACCOUNT NUMBER: 100935
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TRANSACTION DETAIL

DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
	TOTAL SCHWAB BANK SWEEP FOR EE BENEFIT PLN		3.78	0.00	
	TOTAL INTEREST PAID		114.36	0.00	
DIVIDENDS AND CAPITAL GAINS					
	AMERICAN FUND BOND FD OF AMER R6 TICKER: RBFGX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		3,417.65	0.00	
	TOTAL AMERICAN FUND BOND FD OF AMER R6		3,417.65	0.00	
	BLACKROCK HIGH YIELD INSTL TICKER: BHYIX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		1,353.47	0.00	
	TOTAL BLACKROCK HIGH YIELD INSTL		1,353.47	0.00	
	BLACKROCK STRAT INCM OPPTY PORT INST TICKER: BSIIX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		2,643.06	0.00	
	TOTAL BLACKROCK STRAT INCM OPPTY PORT INST		2,643.06	0.00	
	PIMCO INCM FD INST CL TICKER: PIMIX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		3,382.39	0.00	
	TOTAL PIMCO INCM FD INST CL		3,382.39	0.00	
	PRINCIPAL SPECTRUM PRF CAP INCM INST TICKER: PPSIX				
01/28/25	CASH RECEIPT OF INCOME EARNED \$0.0374/UNIT ON 8,778.33 UNITS DUE 1/28/25		328.31	0.00	

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DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
<hr/>					
	TOTAL PRINCIPAL SPECTRUM PRF CAP INCM INST		328.31	0.00	
	T ROWE PRICE INST FLOATING RATE FD TICKER: RPIFX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		1,041.11	0.00	
	TOTAL T ROWE PRICE INST FLOATING RATE FD		1,041.11	0.00	
	VANGUARD LONG TERM INV GRADE ADM SHS TICKER: VWETX				
01/31/25	CASH RECEIPT OF INCOME EARNED DIVIDEND FROM 1/1/25 TO 1/31/25		675.05	0.00	
	TOTAL VANGUARD LONG TERM INV GRADE ADM SHS		675.05	0.00	
	TOTAL DIVIDENDS AND CAPITAL GAINS		12,841.04	0.00	
<hr/>					
OTHER CASH RECEIPTS					
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	MISCELLANEOUS RECEIPT				
01/10/25	CASH RECEIPT		45,848.79	0.00	
01/16/25	CASH RECEIPT		45,848.79-	0.00	
01/29/25	CASH RECEIPT		38,420.55	0.00	
	TOTAL MISCELLANEOUS RECEIPT		38,420.55	0.00	
	TOTAL OTHER CASH RECEIPTS		38,420.55	0.00	
<hr/>					
WITHDRAWALS					
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	SCHWAB BANK SWEEP FOR EE BENEFIT PLN TICKER: RBS2CSBW				
01/24/25	WITHDRAWAL OF \$56,282.66		56,282.66	56,282.66-	



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DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
	TOTAL SCHWAB BANK SWEEP FOR EE BENEFIT PLN		56,282.66	56,282.66-	
	TOTAL WITHDRAWALS		56,282.66	56,282.66-	
OTHER DISBURSEMENTS					
TRF/DISB TO PAYING AGENT, WIRE					
01/23/25	CASH DISBURSEMENT PAID TO BANK OF AMERICA N.A. TRF/DISB TO PAYING AGENT, WIRE DISB: NORTH BRANFORD CT TOWN OF SSN: XX-X011364 NET \$56,282.66 REFNUM: 41839 FASTTAX CODE: 999 TRANSFER TO ZENITH AMERICAN FOR BENEFIT PAYMENTS FASTTAX CODE: 999		56,282.66-	0.00	
	TOTAL TRF/DISB TO PAYING AGENT, WIRE		56,282.66-	0.00	
	TOTAL OTHER DISBURSEMENTS		56,282.66-	0.00	
PURCHASES AND REINVESTMENTS					
AMERICAN FUND BOND FD OF AMER R6 TICKER: RBFGX					
01/31/25	REINVESTED 306.241 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	306.241	3,417.65-	3,417.65	
	TOTAL AMERICAN FUND BOND FD OF AMER R6	306.241	3,417.65-	3,417.65	
BLACKROCK HIGH YIELD INSTL TICKER: BHYIX					
01/31/25	REINVESTED 189.032 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	189.032	1,353.47-	1,353.47	

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DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
	TOTAL BLACKROCK HIGH YIELD INSTL	189.032	1,353.47-	1,353.47	
	BLACKROCK STRAT INCM OPPY PORT INST TICKER: BSIIX				
01/31/25	REINVESTED 277.632 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	277.632	2,643.06-	2,643.06	
	TOTAL BLACKROCK STRAT INCM OPPY PORT INST	277.632	2,643.06-	2,643.06	
	PIMCO INCM FD INST CL TICKER: PIMIX				
01/31/25	REINVESTED 319.395 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	319.395	3,382.39-	3,382.39	
	TOTAL PIMCO INCM FD INST CL	319.395	3,382.39-	3,382.39	
	PRINCIPAL SPECTRUM PRF CAP INCM INST TICKER: PPSIX				
01/28/25	REINVESTED 35.647 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/28/25	35.647	328.31-	328.31	
	TOTAL PRINCIPAL SPECTRUM PRF CAP INCM INST	35.647	328.31-	328.31	
	T ROWE PRICE INST FLOATING RATE FD TICKER: RPIFX				
01/31/25	REINVESTED 109.706 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	109.706	1,041.11-	1,041.11	
	TOTAL T ROWE PRICE INST FLOATING RATE FD	109.706	1,041.11-	1,041.11	
	VANGUARD LONG TERM INV GRADE ADM SHS TICKER: VWETX				
01/31/25	REINVESTED 89.529 UNITS THROUGH REINVESTMENT OF CASH DIVIDEND DUE 1/31/25	89.529	675.05-	675.05	
	TOTAL VANGUARD LONG TERM INV GRADE ADM SHS	89.529	675.05-	675.05	
	TOTAL PURCHASES AND REINVESTMENTS	12,841.04-		12,841.04	

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DATE	DESCRIPTION	UNITS	CASH	INVESTMENTS	GAIN/LOSS
DEPOSITS AND INTEREST					
SCHWAB BANK SAVINGS TICKER: RBS1CSBS					
01/31/25	INTEREST POSTING 110.58 DOLLARS INTEREST PAID 1/31/25	110.58-		110.58	
	TOTAL SCHWAB BANK SAVINGS	110.58-		110.58	
SCHWAB BANK SWEEP FOR EE BENEFIT PLN TICKER: RBS2CSBW					
01/13/25	DEPOSIT OF \$45,848.79	45,848.79-		45,848.79	
01/30/25	DEPOSIT OF \$38,420.55	38,420.55-		38,420.55	
01/31/25	INTEREST POSTING 3.78 DOLLARS INTEREST PAID 1/31/25	3.78-		3.78	
	TOTAL SCHWAB BANK SWEEP FOR EE BENEFIT PLN	84,273.12-		84,273.12	
	TOTAL DEPOSITS AND INTEREST	84,383.70-		84,383.70	
01/31/25	ENDING BALANCE		\$0.00	\$6,713,077.61	

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ASSET SUMMARY

DESCRIPTION	BEGINNING VALUE	ENDING VALUE	ADJUSTED COST	UNREALIZED GAIN / LOSS
MUTUAL FUNDS	7,539,509.93	7,717,852.33	6,530,287.97	1,187,564.36
MONEY MARKET DEPOSIT ACCOUNT	154,688.60	182,789.64	182,789.64	
UN-INVESTED CASH	0.00	0.00		
TOTAL HOLDINGS	7,694,198.53	7,900,641.97	6,713,077.61	1,187,564.36

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ASSET DETAIL

SHARES/ UNITS	DESCRIPTION	BEGINNING VALUE	ENDING VALUE	ADJUSTED COST	UNREALIZED GAIN / LOSS

	MUTUAL FUNDS				
79,973.893	AMERICAN FUND BOND FD OF AMER R6 TICKER: RBFGX MONTH END PRICE 11.1600	887,497.64	892,508.65	928,193.67	35,685.02-
34,418.808	BLACKROCK HIGH YIELD INSTL TICKER: BHYIX MONTH END PRICE 7.1600	243,031.41	246,438.67	251,186.83	4,748.16-
68,588.164	BLACKROCK STRAT INCM OPPTY PORT INST TICKER: BSIIX MONTH END PRICE 9.5200	646,900.74	652,959.32	661,205.33	8,246.01-
12,970.960	DODGE & COX INCOME I TICKER: DODIX MONTH END PRICE 12.4500	160,580.48	161,488.45	160,721.13	767.32
17,070.528	FIDELITY BLUE CHIP GWTH FD K6 TICKER: FBCGX MONTH END PRICE 37.7700	628,707.55	644,753.84	402,478.30	242,275.54
6,165.749	FIDELITY EMERGING MKTS FUND K TICKER: FKEMX MONTH END PRICE 38.6200	234,791.72	238,121.23	236,694.62	1,426.61
19,883.015	FIDELITY INTL INDEX FD TICKER: FSPSX MONTH END PRICE 49.9100	945,238.53	992,361.28	863,684.21	128,677.07
9,203.757	FIDELITY MID CAP INDEX TICKER: FSMDX MONTH END PRICE 35.2000	310,810.87	323,972.25	217,683.57	106,288.68
5,563.381	FIDELITY SMALL CAP INDEX TICKER: FSSNX MONTH END PRICE 28.4100	153,994.39	158,055.65	120,606.46	37,449.19
5,408.271	FIDELITY 500 INDEX FD TICKER: FXAIX MONTH END PRICE 209.8700	1,104,314.86	1,135,033.83	619,428.59	515,605.24
61,816.775	PIMCO INCM FD INST CL TICKER: PIMIX MONTH END PRICE 10.5900	646,952.44	654,639.65	692,660.36	38,020.71-
23,482.158	PIMCO RAE EMERGING MARKETS INST TICKER: PEIFX MONTH END PRICE 10.1200	237,404.62	237,639.44	251,351.48	13,712.04-
8,813.981	PRINCIPAL SPECTRUM PRF CAP INCM INST TICKER: PPSIX MONTH END PRICE 9.2200	80,585.11	81,264.90	83,475.92	2,211.02-
22,558.126	SCHWAB FUNDAMENTAL US LRGE CO INDEX TICKER: SFLNX MONTH END PRICE 28.9900	628,469.39	653,960.07	424,434.50	229,525.57
17,242.462	T ROWE PRICE INST FLOATING RATE FD TICKER: RPIFX MONTH END PRICE 9.4900	162,589.85	163,630.96	161,568.22	2,062.74
1,449.419	VANGUARD EXPLORER FD ADMIRAL SHARES TICKER: VEXRX MONTH END PRICE 111.6200	154,870.42	161,784.15	170,844.20	9,060.05-
21,116.988	VANGUARD LONG TERM INV GRADE ADM SHS TICKER: VWETX MONTH END PRICE 7.5400	158,336.77	159,222.09	163,483.46	4,261.37-
1,813.234	VANGUARD SMALL CAP VALUE INDEX ADMIR TICKER: VSIAX MONTH END PRICE 88.2500	154,433.14	160,017.90	120,587.12	39,430.78
		7,539,509.93	7,717,852.33	6,530,287.97	1,187,564.36

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ASSET DETAIL

SHARES/ UNITS	DESCRIPTION	BEGINNING VALUE	ENDING VALUE	ADJUSTED COST	UNREALIZED GAIN / LOSS
MONEY MARKET DEPOSIT ACCOUNT					
SCHWAB BANK SAVINGS	81,830.09	81,940.67	81,940.67		
TICKER: RBS1CSBS					
SCHWAB BANK SWEEP FOR EE BENEFIT PLN	72,858.51	100,848.97	100,848.97		
TICKER: RBS2CSBW					
	154,688.60	182,789.64	182,789.64		
TOTAL	7,694,198.53	7,900,641.97	6,713,077.61	1,187,564.36	
UN-INVESTED CASH	0.00	0.00			
NET ASSETS	7,694,198.53	7,900,641.97			