

Barnstable County

**Governmental Accounting Standards Board Statements
No. 74 and No. 75 Actuarial Valuation of Other
Postemployment Benefits (OPEB) Measured as of
June 30, 2025**



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November 14, 2025

Carol Coppola
Finance Director
Barnstable County
P.O. Box 427
Barnstable, MA 02630

Dear Ms. Coppola:

We are pleased to submit this Governmental Accounting Standards Board Statements No. 74 and 75 (GASB 74/75) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2025 for the Barnstable County. This report contains the actuarial information that will need to be disclosed to comply with GASB 74 and 75. Except as otherwise noted, please refer to the Barnstable County Actuarial Valuation and Review of Other Postretirement Benefits (OPEB) as of June 30, 2024 for the data, assumptions and plan of benefits underlying these calculations.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Barnstable County. The actuarial valuation is based on the plan of benefits verified by the Barnstable County and reliance on participant, premium, claims and expense data provided by the Barnstable County or from vendors employed by the Barnstable County. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

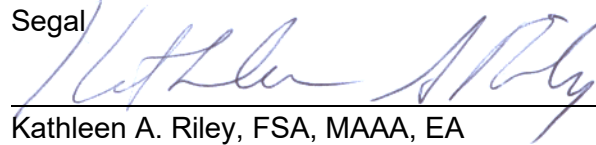
Carol Coppola
November 14, 2025

The actuarial calculations were completed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Barnstable County based upon our analysis and recommendations. In my opinion, the assumptions are reasonable and take into account the experience of the Barnstable County and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Barnstable County is encouraged to discuss any issues raised in this report with your legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

Segal

A handwritten signature in blue ink, appearing to read 'Kathleen A. Riley', is written over a horizontal line.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents certain disclosure information for the Barnstable County (the “Employer”) OPEB plan as of June 30, 2025, required by Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial requirements may be significantly different from the results reported here. This report is based on financial information as of June 30, 2025 provided by the Barnstable County and the Barnstable County Actuarial Valuation and Review of Other Postretirement Benefits (OPEB) as of June 30, 2024, which reflects:

- The benefit provisions of the OPEB plan;
- The characteristics of covered active members and retired members and beneficiaries as of June 30, 2024, provided by the Barnstable County;
- Economic assumptions regarding future salary increases and investment earnings;
- Health care assumptions regarding per capita costs, trend rates and participation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Highlights of the valuation

Accounting and financial reporting

- The Net OPEB Liability (NOL) is equal to the difference between the Total OPEB Liability (TOL) and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets. The NOL increased from \$18,313,201 as of June 30, 2024 to \$19,825,670 as of June 30, 2025 and the Plan's Fiduciary Net Position as a percentage of the TOL increased from 18.98% to 20.64%.
- The NOL measured as of June 30, 2025 and June 30, 2024 were determined based upon the results of actuarial valuations as of June 30, 2024 and June 30, 2022, respectively.

Section 1: Actuarial Valuation Summary

- The discount rates used to measure the TOL and NOL as of June 30, 2025 and June 30, 2024 were 6.25% and 6.50%, respectively.
- The annual OPEB expense was -\$2,549,630 for the year ending June 30, 2024 and -\$3,716,682 for the year ending June 30, 2025.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

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

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

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

Section 1: Actuarial Valuation Summary

Input Item	Description
Models	Segal valuation results are based on proprietary actuarial modeling software. The valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary . The results are also based on models for cost projections developed by Segal actuaries and programmers. The client team customizes and validates the models, and reviews the results, under the supervision of the responsible actuary. Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

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

- The actuarial valuation is prepared for use by the Barnstable County. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report may include actuarial results that are shown to the nearest dollar, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, and health care trend, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Barnstable County should look to their other advisors for expertise in these areas.
- If the Barnstable County is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Barnstable County upon delivery and review. The Barnstable County should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB Information

General information about the OPEB plan

Plan membership. At June 30, 2024, Plan membership consisted of the following:

Category of Membership	Number as of June 30, 2024
Retired members or beneficiaries currently receiving benefits	178
Active members	155
Total	333

We have assumed other general information about the Plan will be provided by the Barnstable County's auditors.

Section 2: GASB Information

Exhibit A: Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2025	June 30, 2024
Total OPEB Liability	\$24,981,653	\$22,602,857
Plan Fiduciary Net Position	5,155,983	4,289,656
Net OPEB Liability	19,825,670	18,313,201
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability ¹	20.64%	18.98%

Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumption Type	Assumption
Wage inflation	3.25%
Salary increases	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.00% decreasing over 11 years to an ultimate level of 4.00%
Investment rate of return	6.25% as of June 30, 2025 and 6.50% as of June 30, 2024
Discount rate	6.25% as of June 30, 2025 and 6.50% as of June 30, 2024
Health care cost trend rates²	
• CCMHG	
– Non-Medicare	6.50% for 1 year, then 8.25% decreasing by 0.25% each year to an ultimate level of 4.50% per year
– Medicare	7.00% for 1 year, then 7.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
• Dental	0.00% for 1 year, then 3.00%
• Part B	5.92% for 1 year, then 4.50%
• Contributions	Retiree contributions are assumed to increase with medical trend

¹ These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

² The first-year trend rate assumptions reflect known premiums.

Section 2: GASB Information

Assumption Type	Assumption
Mortality rates	
• Pre-Retirement	Healthy: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
• Healthy Retiree	Healthy: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
• Disabled Retiree	Disabled: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021

Section 2: GASB Information

Exhibit B: Determination of discount rate and investment rates of return

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.82%
International developed markets equity	5.91%
International emerging markets equity	7.06%
Core fixed income	1.81%
High-yield fixed income	3.34%
Emerging market debt	3.43%
Short-term governmental money market	1.05%

Nature of Assets: The assets are in an irrevocable OPEB Trust invested with Rockland Trust.

Discount rate. The discount rate used to measure the total OPEB liability was 6.25% as of June 30, 2025 and 6.50% as of June 30, 2024. The OPEB plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

Section 2: GASB Information

Exhibit C: Discount rate and trend sensitivity

The following presents the NOL of the Barnstable County as well as what the Barnstable County's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate. Also, shown is the NOL as if it were calculated using health care cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

Item	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	\$23,149,721	\$19,825,670	\$17,075,410

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	\$16,697,568	\$19,825,670	\$23,692,013

Section 2: GASB Information

Exhibit D: Schedule of changes in Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2025	June 30, 2024
Total OPEB Liability		
Service cost	\$579,215	\$526,119
Interest	1,472,090	1,325,119
Change of benefit terms	0	0
Differences between expected and actual experience	436,423	0
Changes of assumptions	977,226	1,458,699
Benefit payments, including refunds of member contributions	-1,086,158	-1,117,215
Net change in Total OPEB Liability	\$2,378,796	\$2,192,722
Total OPEB Liability – beginning	22,602,857	20,410,135
Total OPEB Liability – ending	\$24,981,653	\$22,602,857
Plan Fiduciary Net Position		
Contributions – employer	\$1,586,158	\$1,267,215
Contributions – employee	0	0
Net investment income	366,327	387,368
Benefit payments, including refunds of member contributions	-1,086,158	-1,117,215
Administrative expense	0	0
Net change in Plan Fiduciary Net Position	\$866,327	\$537,368
Plan Fiduciary Net Position – beginning	4,289,656	3,752,288
Plan Fiduciary Net Position – ending	\$5,155,983	\$4,289,656

Section 2: GASB Information

Components of the Net OPEB Liability	Current	Prior
Net OPEB Liability		
Net OPEB Liability – ending	\$19,825,670	\$18,313,201
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	20.64%	18.98%
Covered payroll ³	\$16,663,348	N/A
Plan Net OPEB Liability as percentage of covered payroll	118.98%	N/A

Notes to Schedule:

- **Benefit changes:**

- Effective June 30, 2024:
 - None
- Effective June 30, 2025:
 - None

- **Changes of assumptions:**

- Effective June 30, 2024:
 - The Medicare trend assumption was revised to reflect the estimated impact of the Inflation Reduction Act of 2022.
- Effective June 30, 2025:
 - Per capita costs, contributions, and trends for CCMHG retirees were updated to reflect current experience and future expectations.
 - The actuarial factors used to estimate the individual retiree and spouse costs by age and by gender were updated.
 - The discount rate was lowered from 6.50% as of June 30, 2024 to 6.25% as of June 30, 2025.

³ Please input covered payroll when available.

Section 2: GASB Information

Exhibit E: Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency / (Excess)	Covered- Employee Payroll ⁴	Contributions as a Percentage of Covered Payroll
2017	\$967,715	\$967,715	\$0	N/A	N/A
2018	1,011,262	1,011,262	0	N/A	N/A
2019	1,836,278	1,960,329	-124,051	N/A	N/A
2020	1,895,957	1,188,797	707,160	N/A	N/A
2021	1,827,648	1,243,123	584,525	N/A	N/A
2022	1,887,855	1,414,810	473,045	N/A	N/A
2023	1,641,525	3,541,210	-1,899,685	N/A	N/A
2024	1,695,688	1,267,215	428,473	N/A	N/A
2025	1,974,317	1,586,158	388,159	\$16,663,348	9.52%

See accompanying notes to this schedule on next page.

⁴ Please input covered payroll when available.

Section 2: GASB Information

Notes to Schedule:

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

Assumption Type	Assumption
Valuation date	Actuarially determined contribution for the year ending June 30, 2025 was determined with the June 30, 2024 actuarial valuation.
Actuarial cost method	Entry Age Normal – Level Percentage of Payroll
Amortization method	Level percent of payroll – payments increase 3.25% per year
Remaining amortization period	22 years from July 1, 2024
Asset valuation method	Market value
Inflation	3.25%
Investment rate of return	6.25%
Health care cost trend rates⁵	
• CCMHG	
– Non-Medicare	6.50% for 1 year, then 8.25% decreasing by 0.25% each year to an ultimate level of 4.50% per year
– Medicare	7.00% for 1 year, then 7.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
• Dental	0.00% for 1 year, then 3.00%
• Part B	5.92% for 1 year, then 4.50%
• Contributions	Retiree contributions are assumed to increase with medical trend
Mortality rates	
• Pre-Retirement	Healthy: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
• Healthy Retiree	Healthy: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
• Disabled Retiree	Disabled: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021

⁵ The first-year trend rate assumptions reflect known premiums.

Section 2: GASB Information

Exhibit F: OPEB expense

Components of OPEB expense	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2025	June 30, 2024
Service cost	\$579,215	\$526,119
Interest	1,472,090	1,325,119
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	87,283	0
Expensed portion of current-period changes of assumptions	195,446	291,739
Member contributions	0	0
Projected earnings on OPEB plan investments	-295,078	-248,774
Expensed portion of current-period differences between actual and projected earnings on OPEB plan investments	-14,249	-27,718
Administrative expense	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	478,754	1,776,309
Recognition of beginning of year deferred inflows of resources as OPEB expense	-6,220,143	-6,192,424
OPEB expense	-\$3,716,682	-\$2,549,630

Section 2: GASB Information

Exhibit G: Deferred outflows and inflows of resources

Deferred Outflows and Inflows	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2025	June 30, 2024
Deferred outflows of resources		
Changes of assumptions	\$1,657,000	\$1,166,960
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	349,140	151,975
Total deferred outflows of resources	\$2,006,140	\$1,318,935
Deferred inflows of resources		
Changes of assumptions	\$6,670,564	\$11,675,119
Net difference between projected and actual earnings on OPEB plan investments	120,524	87,106
Difference between expected and actual experience in the Total OPEB Liability	2,313,934	3,470,901
Total deferred inflows of resources	\$9,105,022	\$15,233,126
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:		
Reporting date for employer under GASB 75 year ended June 30:		
2025	N/A	-\$5,741,389
2026	-\$4,790,036	-5,058,516
2027	-3,109,827	-3,378,307
2028	532,501	264,021
2029	268,480	0
2030	0	0
Thereafter	0	0

Note: Average expected remaining service lives is 5.00 years.

Section 2: GASB Information

Exhibit H: Schedule of reconciliation of Net OPEB Liability

Item	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2025	June 30, 2024
Net OPEB Liability		
Beginning Net OPEB Liability	\$18,313,201	\$16,657,847
OPEB expense	-3,716,682	-2,549,630
Employer contributions	-1,586,158	-1,267,215
New net deferred inflows/outflows	1,073,920	1,056,084
Recognition of prior deferred inflows/outflows	5,741,389	4,416,115
Ending Net OPEB Liability	\$19,825,670	\$18,313,201