

**DUKES COUNTY POOLED OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND**

**INDEPENDENT AUDITORS' REPORT ON  
FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION**

**FOR THE PERIOD FROM INCEPTION (NOVEMBER 1, 2010) THROUGH JUNE 30, 2014**

**Draft 8-13-15**

Draft 8-13-15

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## **Independent Auditors' Report**

To the Board of Trustees  
Dukes County Pooled OPEB Trust Fund

### **Report on the Financial Statements**

We have audited the accompanying statement of plan net position of the Dukes County Pooled OPEB Trust Fund as of June 30, 2014, and the related statement of changes in plan net position for the period from inception (November 1, 2010) through June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dukes County Pooled OPEB Trust Fund as of June 30, 2014, and the change in financial position for the period from inception (November 1, 2010) through June 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (located on pages 4 through 6) and historical OPEB information (located on page 16) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements. The combining statement of changes in plan net position by employer (additional information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2015, on our consideration of the Dukes County Pooled OPEB Trust Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Dukes County Pooled OPEB Trust Fund’s internal control over financial reporting and compliance.

Boston, Massachusetts  
August 4, 2015

Draft 8-13-15

DUKES COUNTY POOLED OPEB TRUST FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

As management of the Dukes County Pooled Other Post-Employment Benefits (OPEB) Trust Fund (Trust), we offer readers of these financial statements this narrative overview and analysis of the Trust's financial activities for the period from inception (November 1, 2010) through June 30, 2014. Please refer to the audited *Financial Statements* when reading this management's discussion and analysis.

**Overview of the Trust**

The Trust was established November 1, 2010, and is an agent multiple-employer defined benefit OPEB plan that covers retired employees and survivors of the Trust's member employers. The Trust's membership includes the County of Dukes County, the Towns of Aquinnah, Chilmark, Edgartown and West Tisbury, the Martha's Vineyard Regional High School District, the Up-Island Regional School District, the Martha's Vineyard Commission, the Martha's Vineyard Refuse District and the Martha's Vineyard Transit Authority.

**Financial Highlights**

The Trust's funding objective is to meet long-term OPEB obligations through contributions and investment income. As of July 1, 2012, the latest actuarial valuation, the funded ratio was 0.91% based on the actuarial value of assets at that date.

The Trust's net position at June 30, 2014, totaled \$3,760,859. Net position is the residual of the Trust's assets in excess of the Trust's liabilities as of the statement date. The Trust's assets are held in trust to meet future OPEB payments.

**Overview of the Financial Statements**

The financial statements are comprised of a Statement of Plan Net Position, Statement of Changes in Plan Net Position, Notes to Financial Statements and Required Supplementary Information.

The **statement of plan net position** presents information on the Trust's assets and liabilities and the resulting net position held in trust for OPEB benefits. This is calculated using the following formula: Assets – Liabilities = Net Position held in trust for OPEB benefits. This statement reflects the Trust's investments at fair value, as well as cash and liabilities. The Statement of Plan Net Position reports the financial position of the Trust at June 30, 2014. Over time, the increase or decrease in net position serves as a useful indicator of the Trust's financial health.

The **statement of changes in plan net position** presents information showing how the Trust's net position changed during the period from inception through June 30, 2014. It reflects contributions by its member employers along with deductions for administrative expenses. Investment income during the period is also presented showing income from investing activities.

The **notes to the financial statements** provide additional information that is essential for the reader to gain a full understanding of the data provided in the financial statements.

The **required supplementary information** includes historical data regarding the schedules of funding progress and employer contributions.

DUKES COUNTY POOLED OPEB TRUST FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

**Additional Information**

In addition to the financial statements and accompanying notes, this report also presents additional information. Presented in this information is the combining statement of changes in plan net position by employer. This additional information can be found on pages 17 - 18.

**Financial Statement Analysis**

The following tables present current data on the financial statements. In future years, comparative data will be available and presented.

Plan Net Position

The Trust's assets exceeded liabilities by \$3,760,859 as of June 30, 2014 and are summarized as follows:

<b>Statement of Plan Net Position</b>		2014
<b>Assets</b>		
Cash and cash equivalents.....	\$	209,182
Investments.....		3,551,777
Total assets.....		3,760,959
<b>Liabilities</b>		
Accounts payable and accrued expenses.....		100
<b>Plan Net Position</b>		
Held in trust for OPEB.....	\$	3,760,859

The majority of the Trust's assets (94%) consist of investments.

DUKES COUNTY POOLED OPEB TRUST FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

Changes in Plan Net Position

The Trust's net position increased by \$3,760,859 for the period from inception (November 1, 2010) through June 30, 2014, and is summarized as follows:

**Statement of Changes in Plan Net Position**

	2014
<b>Additions</b>	
<i>Contributions:</i>	
Employer.....	\$ 3,268,526
<i>Net investment income:</i>	
Net realized and unrealized gains.....	439,024
Interest and dividends.....	101,929
Less investment fees.....	(22,085)
Net investment income.....	518,868
Total additions.....	3,787,394
<b>Deductions</b>	
Administrative expenses.....	26,535
Change in plan net position.....	3,760,859
Plan net position - beginning of period.....	-
Plan net position - end of period.....	\$ 3,760,859

Voluntary employer contributions for the period totaled \$3,268,526, or 86%, of total additions, while net investment income for the period totaled \$518,868, or 14%, of total additions.

The majority (over 99%) of administrative expenses relate to fiduciary insurance and actuarial services expenses.

***Requests for Information***

This financial report is designed to provide a general overview of the Trust's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report should be addressed to the Trustee Chair, 9 Airport Road, Suite 1, Vineyard Haven, Massachusetts, 02568.

DUKES COUNTY POOLED OPEB TRUST FUND  
STATEMENT OF PLAN NET POSITION  
JUNE 30, 2014

<b>Assets</b>	
Cash and cash equivalents.....	\$ <u>209,182</u>
Investments:	
Fixed income.....	1,042,716
Pooled fixed income.....	466,529
Equities.....	1,129,161
Pooled equities.....	<u>913,371</u>
Total investments.....	<u>3,551,777</u>
Total plan assets.....	<u>3,760,959</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses.....	<u>100</u>
<b>Plan net position held in trust for OPEB.....</b>	<b>\$ <u><u>3,760,859</u></u></b>

The accompanying notes are an integral part of the financial statements.

Draft 8-13-15

DUKES COUNTY POOLED OPEB TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET POSITION  
FOR THE PERIOD FROM INCEPTION (NOVEMBER 1, 2010) THROUGH JUNE 30, 2014

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**Additions:**

Contributions:	
Employer - unfunded actuarial accrued liability.....	\$ 3,242,134
Employer - administrative.....	<u>26,392</u>
Total contributions.....	<u>3,268,526</u>
Investment income (loss):	
Interest and dividends.....	101,929
Net realized and unrealized gains.....	439,024
Less: investment fees.....	<u>(22,085)</u>
Net investment income.....	<u>518,868</u>
Total additions.....	3,787,394

**Deductions:**

Administrative expenses.....	<u>26,535</u>
Change in plan net position.....	3,760,859
Plan net position held in trust for OPEB benefits:	
Beginning of period.....	<u>-</u>
<b>End of period</b> .....	<u><u>\$ 3,760,859</u></u>

The accompanying notes are an integral part of the financial statements.

DUKES COUNTY POOLED OPEB TRUST FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1 – REPORTING ENTITY**

The Dukes County Pooled Other Post-Employment Benefits (OPEB) Trust Fund (Trust) is an agent multiple-employer defined benefit OPEB plan that covers retired employees and survivors of the Trust's member employers. The Trust was established November 1, 2010, pursuant to Chapter 149 of the Acts of 2010, for the purpose of holding, managing and administering the funding of the unfunded liability of OPEB accrued by each member employers' employees.

The initial two employer members of the Trust were the County of Dukes County and the Martha's Vineyard Regional High School District. Subsequent to the initial declaration of Trust by its founding member employers, the Towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs, Tisbury and West Tisbury, the Up-Island Regional School District, the Martha's Vineyard Commission, the Martha's Vineyard Refuse District, the Oak Bluffs Water District, the Martha's Vineyard Land Bank, and the Martha's Vineyard Transit Authority executed Trust Joinder Agreements to join the Trust. The Trust is governed by a 10 member Board of Trustees appointed by each participating member employers Board.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting policies are described herein.

**A. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Trust's financial statements have been prepared using the accrual basis of accounting in accordance with GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" and GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." These statements establish standards for the measurement, recognition, and display of the assets, liabilities, deferred outflows and inflows of resources, if any, and, where applicable, plan net position held in trust for other postemployment benefits and changes in plan net position held in trust for other postemployment benefits of the Trust, and for related note disclosures.

**B. Cash, Cash Equivalents and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. Fair values of investments are based on quotations from a national securities exchange, except for pooled funds, which are based on unit values reported by the funds.

DUKES COUNTY POOLED OPEB TRUST FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**C. Basis of Investment Transactions**

Purchases and sales of investments are recorded on the trade date. Transactions remaining unsettled as of year-end are recorded as payables for securities purchased and as a receivable for securities sold.

**D. Revenue Recognition**

Contributions are recognized in the fiscal year to which they are provided. Investment income is recognized when earned.

**E. Benefits**

Benefits are recognized when an authorized written request is received from a Trust member. No benefits have been paid out of the Trust through June 30, 2014. Current benefits are being paid directly from the individual member units.

**F. Administrative Expenses**

Administrative expenses are financed by employer contributions.

**G. Use of Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**NOTE 3 – PLAN DESCRIPTION AND CONTRIBUTIONS**

Plan Description

The Trust accumulates assets for the purpose of providing its member employers funds to provide future health, life and dental insurance coverage for their retirees and survivors (hereinafter referred to as the “Plan”) as an agent multiple-employer defined benefit OPEB plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to member employer plan designs and contribution rates must be accomplished through each member employer’s collective bargaining process.

Participation in the Plan is voluntary upon commencement of employment for a permanent employee who regularly works not less than 20 hours per week.

DUKES COUNTY POOLED OPEB TRUST FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

The number of participants as of July 1, 2012, the latest actuarial valuation, is as follows:

Active employees.....	908
Retirees, survivors and covered spouses.....	<u>511</u>
Total.....	<u><u>1,419</u></u>

Contributions

Contributions to the Trust are voluntary and irrevocable. For the period from inception through June 30, 2014, member contributions totaled \$3,268,526.

Plan member contributions are retained by the member employer for payment of current OPEB costs.

Subsequent Events

Subsequent to year-end, member contributions totaling approximately \$1,640,000 have been received by the Trust.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

Deposits and investments made by the Trust are governed by Massachusetts General Law, Chapter 203C (or the Massachusetts Prudent Investment Act).

The Trustees have the authority for establishing and amending investment policy decisions. The Trustees have implemented an investment policy that prohibits purchasing equity securities on margin, selling short, investing in individual commodities, unregistered letter stock, individual foreign securities which trade only on non-US exchanges (other than those evidenced by ADR's, GDR's or mandated to manage an international portfolio), warrants (unless received through a current holding), real estate mortgages, all options and futures, real or personal property, private oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer and, derivatives, including collateralized mortgage obligations, interest only and principal only strips, and currency swaps or other specialized investment activities.

Based on the investment objectives and constraints of the Trust, and based on an annual review of the asset allocation and asset classes, the Trustees will specify a long-term target allocation for each class of permissible assets. These targets will be expressed as a percentage of the total portfolio, and will have ranges surrounding them, allowing for the portfolio to maintain policy through market fluctuations.

The long-term target allocations are intended as strategic goals. Thus, it is permissible for the overall asset allocation to deviate from the long-term target, as would likely occur during manager transitions, asset class restructurings, and other temporary changes in the Trust. Surplus cash flows are utilized to maintain the asset management structure. Should these cash flows not be sufficient to reallocate the plan according to policy, the transfer of assets may occur between managers. At least annually, the Trustees reevaluate the portfolio weightings by asset class and adjustments are made accordingly.

DUKES COUNTY POOLED OPEB TRUST FUND  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Trust's deposits may not be recovered. The Trust does not have a policy for custodial credit risk of deposits. As of June 30, 2014, the Trust was not exposed to custodial credit risk.

Investments Summary

The Trust's investments at June 30 2014 are presented below. All investments are presented by investment type, with debt securities presented by maturity (using segmented time distribution).

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 339,612	\$ 102,121	\$ 237,488	\$ -
U.S. Agencies.....	502,851	27,243	354,753	122,855
Corporate bonds.....	200,253	35,484	122,263	52,506
Money market mutual funds.....	208,951	208,951	-	-
Mutual bond funds.....	466,529	466,529	-	-
Total debt securities.....	1,718,196	828,331	714,504	175,361
<u>Other Investments:</u>				
Equity mutual funds.....	913,371			
Equity securities.....	1,129,161			
Total other investments.....	2,042,532			
Total investments.....	\$ 3,760,728			

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Trust's policy for interest rate risk of debt securities is the portfolio is expected to perform at a rate greater than the Barclays Capital Intermediate Government/Credit Index and/or in the top 50% of an appropriate broad market fixed income universe.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trust's policy for custodial credit risk of investments intends that all investments are either in the name of the Trust or in the name of its nominee, provided the nominee is authorized by the Board. As of June 30, 2014, the Trust was not exposed to custodial credit risk.

DUKES COUNTY POOLED OPEB TRUST FUND  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Trust does not have a policy for credit risk of debt securities.

As of June 30, 2014, the credit quality ratings of the Trust's debt securities (excluding U.S. Treasury Securities) are as follows:

Investment Type	Fair Value	Quality Ratings *							
		AA+	AA	A	A-	A-1	BBB+	Unrated	
US Agency securities.....	\$ 502,851	\$ 502,851	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds.....	200,253	34,375	52,506	25,686	36,218	25,484	25,984	-	-
Money market mutual funds.....	208,951	-	-	-	-	-	-	-	208,951
Mutual bond funds.....	466,529	-	-	-	-	-	-	-	466,529
Total.....	\$ 1,378,584	\$ 537,226	\$ 52,506	\$ 25,686	\$ 36,218	\$ 25,484	\$ 25,984	\$ -	\$ 675,480

\*Per the rating scale of Standard & Poors, a national credit rating organization.

Deposits and Investments – Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The Trust's policy regarding foreign currency risk prohibits the investment in individual foreign securities which trade only on non-US exchanges (other than those evidenced by ADR's, GDR's or mandated to manage an international portfolio). As of June 30, 2014, the Trust had indirect exposure to foreign currency risk for certain pooled fixed income and equity investments issued by foreign countries in the amount of \$398,665.

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Trust's investment in a single issuer. The Trust does not have a policy for concentration of credit risk. As of June 30, 2014, the Trust was exposed to concentration of credit risk as follows:

Issuer	Fair Value	Percentage of Total Investments
Federal Home Loan Mortgage Corporation.....	\$ 225,032	6.0%
Federal National Mortgage Association.....	227,654	6.1%

DUKES COUNTY POOLED OPEB TRUST FUND  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014

**NOTE 5 – FUNDED STATUS AND FUNDING PROGRESS**

The funded status of the Plan at July 1, 2012, the most recent actuarial valuation, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
07/01/12	\$ 1,412,895	\$ 154,677,611	\$ 153,264,716	0.91%	\$ 52,436,938	292.3%

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

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation date:	July 1, 2012
Actuarial cost method:	Projected Unit Credit
Amortization method:	Increasing at 4.50%
Remaining amortization period:	30 years (open)
Interest discount rate:	4.0%

DUKES COUNTY POOLED OPEB TRUST FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

Healthcare cost trend rate: 9.0% decreasing one percent annually for 3 years to an ultimate level of 5.0% per year

Dental cost trend rate: 5.0% (all years)

**NOTE 6 – FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS**

The GASB has issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented during fiscal year 2017 and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The implementation of this Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information.

This information is an integral part of the accompanying financial statements.

Draft 8-13-15

DUKES COUNTY POOLED OPEB TRUST FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2014

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
07/01/12	\$ 1,412,895	\$ 154,677,611	\$ 153,264,716	0.9%	\$ 52,436,938	292.3%
07/01/10	-	146,928,210	146,928,210	0.0%	46,154,418	318.3%
06/30/09	-	128,134,375	128,134,375	0.0%	47,888,496	267.6%

**Schedule of Employer Contributions**

Year Ended June 30	Annually Required Contribution (ARC)	Contribution	Percentage of ARC Contributed (%)
2011	\$ 10,361,681	3,243,206	31.3%
2012	11,896,265	5,698,321	47.9%
2013	12,514,509	4,680,576	37.4%
2014	13,157,510	4,499,622	34.2%

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DUKES COUNTY POOLED OPEB TRUST FUND  
 ADDITIONAL INFORMATION  
 JUNE 30, 2014

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION BY EMPLOYER  
 FOR THE PERIOD FROM INCEPTION (NOVEMBER 1, 2010) THROUGH JUNE 30, 2014

	Dukes County	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury
<b>Additions:</b>						
Contributions:						
Employer - unfunded actuarial accrued liability.....	\$ 150,000	\$ 150,472	\$ 512,660	\$ 550,000	\$ -	\$ -
Employer - administrative.....	989	514	830	5,338	4,666	4,843
Total contributions.....	<u>150,989</u>	<u>150,986</u>	<u>513,490</u>	<u>555,338</u>	<u>4,666</u>	<u>4,843</u>
Investment income (loss):						
Interest and dividends.....	1,870	4,637	18,874	15,727	-	-
Net realized and unrealized gains.....	6,046	19,172	81,771	69,913	-	-
Less: investment fees.....	(332)	(1,024)	(4,137)	(3,307)	-	-
Net investment income.....	<u>7,584</u>	<u>22,785</u>	<u>96,508</u>	<u>82,333</u>	<u>-</u>	<u>-</u>
Total additions.....	158,573	173,771	609,958	637,671	4,666	4,843
<b>Deductions:</b>						
Administrative expenses.....	1,018	521	849	5,358	4,666	4,843
Change in plan net position.....	157,555	173,251	609,149	632,313	-	-
Plan net position held in trust for OPEB benefits:						
Beginning of period.....	-	-	-	-	-	-
<b>End of period.....</b>	<u>\$ 157,555</u>	<u>\$ 173,251</u>	<u>\$ 609,149</u>	<u>\$ 632,313</u>	<u>\$ -</u>	<u>\$ -</u>

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West Tisbury	MVRHS	Up-Island RSD	MV Commission	MV Refuse District	MV Transit Authority	MV Land Bank	Oak Bluffs Water	Total
\$ 941,377	\$ 463,199	\$ 254,664	\$ 36,500	\$ 20,000	\$ 163,262	\$ -	\$ -	\$ 3,242,134
<u>929</u>	<u>5,061</u>	<u>2,175</u>	<u>277</u>	<u>217</u>	<u>158</u>	<u>178</u>	<u>217</u>	<u>26,392</u>
<u>942,306</u>	<u>468,260</u>	<u>256,839</u>	<u>36,777</u>	<u>20,217</u>	<u>163,420</u>	<u>178</u>	<u>217</u>	<u>3,268,526</u>
34,725	12,410	6,064	952	616	6,054	-	-	101,929
152,253	51,309	25,673	3,985	2,548	26,354	-	-	439,024
<u>(7,559)</u>	<u>(2,740)</u>	<u>(1,319)</u>	<u>(207)</u>	<u>(136)</u>	<u>(1,324)</u>	<u>-</u>	<u>-</u>	<u>(22,085)</u>
<u>179,419</u>	<u>60,979</u>	<u>30,418</u>	<u>4,730</u>	<u>3,028</u>	<u>31,084</u>	<u>-</u>	<u>-</u>	<u>518,868</u>
1,121,725	529,239	287,257	41,507	23,245	194,504	178	217	3,787,394
<u>964</u>	<u>5,078</u>	<u>2,184</u>	<u>278</u>	<u>218</u>	<u>174</u>	<u>178</u>	<u>217</u>	<u>26,535</u>
1,120,761	524,161	285,073	41,229	23,027	194,340	-	-	3,760,859
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>1,120,761</u>	\$ <u>524,161</u>	\$ <u>285,073</u>	\$ <u>41,229</u>	\$ <u>23,027</u>	\$ <u>194,340</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,760,859</u>

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