August 6, 2011

Ms. Janece L. Maez
Assistant Superintendent - Business and Fiscal Services
Chief Financial Officer
Santa Monica-Malibu Unified School District
1651 Sixteenth Street
Santa Monica, CA 90404

Re: Santa Monica-Malibu Unified School District ("District") GASB 45 Valuation

Dear Ms. Maez:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2011.

In June, 2004 the Government Accounting Standards Board (GASB) issued its final accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. The District must obtain actuarial valuations of its retiree health insurance program under GASB 43/45 not less frequently than once every two years.

To accomplish these objectives the District selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2011. This report may be compared with the valuation performed by DF&A as of July 1, 2009, to see how the liabilities have changed since the last valuation. We are available to answer any questions the District may have concerning the report.

Financial Results

We have determined that the amount of actuarial liability for District-paid retiree benefits is $35,271,588 as of July 1, 2011. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 5.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This includes benefits for 358 retirees as well as 1,126 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

When we apportion the $35,271,588 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is $22,091,051 as of July 1, 2011. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The $22,091,051 is comprised of liabilities of $13,823,205 for active employees and $8,267,846 for retirees. Because the District has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the Unfunded Accrued Liability (called the UAL, equal to the AL less Assets) is also $22,091,051.

GASB 45 had an effective date of July 1, 2008 for the District. GASB 43, pertaining to the financial statements of a retiree trust itself, would have taken effect one year earlier (June 30, 2008); however, the District has no trust at present so GASB 43 is not yet applicable.

We have determined that Santa Monica-Malibu Unified School District's "Annual Required Contributions", or "ARC", for the fiscal year 2011-12, is $2,556,977. The $2,556,977 is comprised of the present value of benefits accruing in the current year, called the "Service Cost", and a 30-year amortization of the UAL. We estimate that the District will pay approximately $1,061,438 for the 2011-12 fiscal year in healthcare costs for its retirees, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of $1,495,539.

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2011-12 fiscal year. We have calculated these adjustments based on an estimated Net OPEB Obligation (NOO) of $4,359,948 as of June 30, 2011, resulting in an AOC for 2011-12 of $2,491,352.

We show these numbers in the table on the next page and in Exhibit II. All amounts are net of expected future retiree contributions, if any.

Santa Monica-Malibu Unified School District

Annual Liabilities and Expense under

GASB 45 Accrual Accounting Standard

Projected Unit Credit Cost Method

Item	Amounts for Fiscal 2011-12
Present Value of Future Benefits (PVFB)	
Active	$27,003,742
Retired	8,267,846
Total: PVFB	**$35,271,588**
Accrued Liability (AL)	
Actives	$13,823,205
Retired	8,267,846
Total: AL	**$22,091,051**
Assets	(0)
Total: Unfunded AL	**$22,091,051**
Annual Required Contributions (ARC)	
Service Cost At Year-End	$1,119,922
30-year Amortization of Unfunded AL	1,437,055
Total: ARC	**$2,556,977**
Adjustments to ARC	
Interest on Net OPEB Obligation*	217,997
Adjustment to Net OPEB Obligation*	(283,622)
Total: Annual OPEB Cost (AOC) for 2011-12	**$2,491,352**

*Amounts based on estimated June 30, 2011 Net OPEB Obligation of $4,359,948.

The ARC of $2,556,977, shown above, should be used for both the 2011-12 and 2012-13 fiscal years, but the Annual OPEB Cost for the 2011-12 fiscal year must include an adjustment based on the Net OPEB Obligation (NOO) as reported in the June 30, 2011 financial statement, which has not yet been determined precisely.

When the District begins preparation of the June 30, 2011 government-wide financial statements, DF&A will provide the District and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 (and GASB 43, if applicable).

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2009 by DF&A. The AL (Accrued Liability) as of that date was $19,679,640 (see page 3 of the prior report), compared to $22,091,051 as of July 1, 2011. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2009. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

1. There was a loss of $107,863 (an increase in the AL) due to increases in healthcare premiums greater than expected.
2. We increased the initial healthcare trend rate from 5% to 8% to reflect our expectations of an approaching spike in medical trend, coupled with the uncertain effects of the recently enacted federal healthcare legislation. This change caused an increase in the AL of $410,622.
3. There was a net census gain (a decrease in the AL) of $305,838, primarily due to fewer retirements than expected.

The estimated changes to the AL from July 1, 2009 to July 1, 2011 may be summarized as follows:

Changes to AL	**AL**
AL as of 7/1/09	**$19,679,640**
Passage of time	2,198,764
Loss from premium increases > expected	107,863
Change in trend rates	410,622
Census (gain)	(305,838)
AL as of 7/1/11	**$22,091,051**

GASB 43 and GASB 45 Compliance Issues

There are two considerations regarding GASB 43 and GASB 45 that we would like to mention at this point:

(1) Both statements specify that in order for a retiree fund to be counted as "assets" for purposes of the statements, the fund must be set aside in a separate, irrevocable trust, that may not be used for any purpose besides the payment of plan benefits to retirees. The trust must also be beyond the reach of creditors of both the employer and/or the plan administrator, if any. For example, an earmarked reserve in Fund 67 is not expected to meet this definition of "assets". We recommend that the District consider taking steps to establish a retiree fund that meets the GASB requirements, as soon as possible.

(2) There has been some confusion among public agencies throughout California over what GASB 45 does and does not require. Specifically, many agencies initially believed that GASB 45 required pre-funding of retiree healthcare plans. This is not the case - the standard applies only to the expense to be charged to the agencies' income statements. Contributing to the confusion is the terminology used in both GASB 43 and GASB 45 for the annual expense - it's called the "Annual Required Contributions", even though it's neither required nor (necessarily) contributed.

Relationship between GASB 45 And District Funding Policy

We do not believe that it is necessary or even desirable for an agency to establish a policy of funding exactly the ARC on a cash basis each year. The reasons for this are a bit complex and beyond the scope of this report, but the important thing to understand is that GASB 45 pertains to the income statement, and funding pertains to cash flow, and there is no need for the two to be directly linked, at least for now.

Despite these concerns, we do recommend that the District adopt a policy of pre-funding its retiree healthcare plan as soon as possible. The benefits of pre-funding into an irrevocable retiree trust are numerous. To name a few, the District can expect the establishment of an irrevocable trust to result in:

(1) improved return on investments;

(2) healthier District financial statements;

(3) lower ARC in future years (since pre-funded amounts reduce future years' amortization charges on the Unfunded AL, and the actuary may use a higher discount rate);

(4) more predictable and manageable cash flows; and

(5) greater economic security for District employees and retirees.

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. This amount will fluctuate from year to year based on the asset performance and as the population matures. It will eventually reach zero when the last eligible retiree dies. The GASB 45 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns 5.0% per annum on its investments, a starting Fund 67 value of $1,700,000 as of July 1, 2011, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percent of the Unfunded Accrued Liability.
3. A constant percentage (3%) increase for the next 20 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

These numbers are computed on a closed group basis, assuming no new entrants, and using unadjusted premiums.

Santa Monica-Malibu Unified School District

Sample Funding Schedules (Closed Group)

Starting Fund Value of $1,700,000 as of July 1, 2011

Fiscal Year Beginning	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability*	Constant Percentage Increase
2011	$1,061,438	$2,629,000	$3,058,658	$2,052,205
2012	1,120,097	2,629,000	2,856,256	2,113,771
2013	1,147,664	2,629,000	2,677,480	2,177,184
2014	1,205,118	2,629,000	2,518,011	2,242,500
2015	1,248,425	2,629,000	2,377,302	2,309,775
2016	1,258,139	2,629,000	2,252,484	2,379,068
2017	1,350,425	2,629,000	2,140,135	2,450,440
2018	1,420,576	2,629,000	2,042,821	2,523,953
2019	1,539,013	2,629,000	1,957,599	2,599,672
2020	1,621,707	2,629,000	1,885,039	2,677,662
2021	1,701,550	2,629,000	1,821,808	2,757,992
2022	1,756,504	2,629,000	1,766,470	2,840,731
2023	1,789,563	2,629,000	1,716,889	2,925,953
2024	1,868,473	2,629,000	1,671,413	3,013,732
2025	1,982,553	2,629,000	1,631,131	3,104,144
2026	2,044,096	2,629,000	1,596,364	3,197,268
2027	2,140,524	2,629,000	1,564,293	3,293,186
2028	2,257,295	2,629,000	1,535,448	3,391,982
2029	2,319,327	2,629,000	1,509,649	3,493,741
2030	2,429,110	2,629,000	1,484,478	3,598,553
2031	2,505,052	0	1,460,840	0
2032	2,580,970	0	1,437,185	0
2033	2,661,583	0	1,413,126	0
2034	2,756,193	0	1,388,414	0
2035	2,758,571	0	1,362,977	0
2036	2,728,290	0	1,334,632	0
2037	2,836,580	0	1,303,030	0
2038	2,944,767	0	1,270,794	0
2039	2,986,908	0	1,237,408	0
2040	2,889,309	0	1,201,548	0
2041	2,815,449	0	1,161,585	0
2042	2,754,879	0	1,118,529	0
2043	2,743,006	0	1,073,055	0
2044	2,677,863	0	1,025,924	0
2045	2,557,411	0	976,982	0
2046	2,490,963	0	926,412	0
2047	2,363,240	0	874,956	0
2048	2,276,945	0	822,876	0
2049	2,186,960	0	750,621	0
2050	2,112,311	0	672,844	0
2055	1,757,626	0	389,463	0
2060	1,343,668	0	225,516	0
2065	902,526	0	130,627	0
2070	502,350	0	75,674	0

*Reverts to pay-as-you-go in 2081.

Actuarial Assumptions

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. For example, turnover rates are taken from a standard actuarial table, T-5, without adjustment. This closely matches the District's historic turnover patterns. Retirement rates were also based on recent District retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

The discount rate of 5.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for unfunded plans such as the District's. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the general healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

Projected Annual Pay-as-you go Costs

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. The annual cost reaches a maximum of $2,986,908 in FYB 2039. Projected pay-as-you-go costs for selected years are as follows:

FYB	Pay-as-you-go
2011	$1,061,438
2012	1,120,097
2013	1,147,664
2014	1,205,118
2015	1,248,425
2020	1,621,707
2025	1,982,553
2030	2,429,110
2035	2,758,571
2040	2,889,309
2045	2,557,411
2050	2,112,311
2055	1,757,626
2060	1,343,668
2065	902,526
2070	502,350

Breakdown by Employee/Retiree Group

Exhibit I, attached at the end of the report, shows a breakdown of the GASB 45 components (ARC, AL, Service Cost, and PVFB) by bargaining unit (or non-represented group) and separately by active employees (future retirees) and current retirees.

Net OPEB Obligation (NOO) and Annual OPEB Cost (AOC)

Exhibit II shows a development of the District's Net OPEB Obligation ("NOO") as of June 30, 2009, 2010, and 2011, and the Annual OPEB Cost ("AOC") for the fiscal years 2009-10, 2010-11, and 2011-12. The NOO as of June 30, 2011 and the AOC for 2011-12 are estimates as of the date this report is being published.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the District on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DEMSEY, FILLIGER AND ASSOCIATES

T. Louis Filliger

T. Louis Filliger, FSA, EA, MAAA
Partner & Actuary

Benefit Plan Provisions

Active Employee Coverage

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District through contributions of amounts up to the premiums for either of the PEMHCA HMOs (including dependent coverage), plus coverage under one of the District's dental plans (Delta Dental and Delta Care). This contribution includes the statutory minimum $108.00 per month that the District designates for PEMHCA. The $108.00 per month is scheduled by law to increase to $112.00 in 2012, and to be indexed with medical inflation (CPI) for years 2013 and thereafter.

Post-Retirement Coverage

The District also offers PEMHCA to its retirees. The District contributes $108.00 per month to PEMHCA on behalf of each retiree eligible for and participating in PEMHCA. This contribution is indexed by law with medical inflation (CPI) each year and is scheduled to increase to $112.00 for 2012. Furthermore, the District will make supplemental contributions towards certain eligible retirees' premiums until age 65 according to provisions of the District's agreements with its various employee groups, as described below.

Certificated and Management employees with at least 10 years of full-time equivalent service and age 55 or over may retire with District-paid medical and dental benefits. The Classified agreement does not specific a minimum age and service for retirement; for purposes of this valuation, we have assumed that Classified will be subject to the same provisions as the other groups. The District contribution each year is set equal to the Blue Shield HMO or Kaiser HMO retiree-only premium plus the retiree-only premium for Delta Dental or Delta Care Dental. For retirees electing PERS Choice or PERS Care, the District contribution is limited to the Kaiser retiree-only premium. The supplemental District contributions end at age 65, at which point retirees may elect to continue coverage for their further lifetime under PEMHCA and receive the statutory minimum District contribution (currently $108.00/month).

The following table shows January 1, 2011 monthly PERS Health (PEMHCA) premiums for retirees within the Los Angeles Area region, and Delta Dental and Delta Care premiums for all areas:

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Dental	Delta Care
Basic Plan						
Retiree	$496.93	$434.00	$496.15	$787.24	$53.22	$26.56
Retiree + 1	993.86	868.00	992.30	1,574.48	105.60	43.96
Family	1,292.02	1,128.40	1,289.99	2,046.82	135.15	64.72

Valuation Data

Age distribution of retirees receiving District-paid health benefits

Age	Medical & Dental	Medical Only	Dental Only	Total
Under 50	0	0	0	0
50-54	1	1	1	3
55-59	13	3	3	19
60-64	71	5	12	88
65-69	16	80	0	96
70-74	0	54	0	54
75-79	0	36	0	36
80-84	0	47	0	47
85-89	0	13	0	13
90+	0	2	0	2
All Ages	101	241	16	358
Average Age	62.24	73.63	60.00	69.81

Age/Years of service distribution of active employees included in the valuation

Years->	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age									
20-24	3								3
25-29	49	20	2						71
30-34	47	70	17	7					141
35-39	42	52	57	15	0				166
40-44	39	33	53	34	12	0			171
45-49	20	29	32	32	22	0	1		136
50-54	18	25	40	28	24	11	4	1	151
55-59	15	12	25	26	25	16	8	4	131
60-64	12	7	29	17	17	6	6	16	110
65-69	3	2	12	5	6	3	3	7	41
70+	0	0	0	0	2	1	0	2	5
Total	248	250	267	164	108	37	22	30	1,126

Average Age: 45.61
Average Service 11.95

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2011
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open period
Discount Rate:	5.0% per annum
Return on Assets:	5.0% per annum
Pre-retirement Turnover:	According to 100% of the Crocker-Sarason Table T-5 less mortality. Sample rates are as follows:

Age	Turnover (%)
25	7.7%
30	7.2
35	6.3
40	5.2
45	4.0
50	2.6
55	0.9

Pre-retirement Mortality: 1994 Group Annuity Mortality, male and female tables. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.71	0.31
30	0.86	0.38
35	0.92	0.51
40	1.15	0.76
45	1.70	1.05
50	2.77	1.54
55	4.76	2.47
60	8.58	4.77

Post-retirement Mortality: 1994 Group Annuity Mortality, male and female tables. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
65	15.63	9.29
70	25.52	14.73
75	40.01	24.39
80	66.70	42.36
85	104.56	72.84
90	164.44	125.02

Actuarial Assumptions (Continued)

Claim Cost per Retiree or Spouse:

Age	Medical/Rx	Dental
50-64	$6,306	$569
65+	4,569	0

Retirement Rates:

Age	Percent Retiring*
55-57	5.0%
58	8.0
59-60	5.0
61	15.0
62	25.0
63-64	20.0
65	100.0

* Of those having met the eligibility for District-paid supplemental benefits. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.

Trend Rates:

Year	Medical/Rx	Dental
2011	8.0%	4.0%
2012	7.0	4.0
2013	6.0	4.0
2014+	5.0	4.0

Percent Waiving Coverage: 20% of future retirees (applies to PERS statutory minimum only)

Medical Inflation: 4.0% per year (used to project PERS statutory minimum)

Administrative Fees: 0.37% of PEMHCA premium

Percent of Retirees with Spouses:

Future Retirees: 50% of future retirees were assumed to have spouses at the time of retirement. Female spouses assumed three years younger than male spouses.

Current Retirees: Based on actual spousal data.

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Santa Monica-Malibu Unified School District ("District") as of July 1, 2011.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in June, 2011. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

T Louis Filliger

T. Louis Filliger, FSA, EA, MAAA Date: 8/6/11
Partner & Actuary

Santa Monica-Malibu Unified School District

GASB 45 Valuation Results By Employee Group

	7/1/2011 Valuation Results Certificated	7/1/2011 Valuation Results Classified	7/1/2011 Valuation Results Management	7/1/2011 Valuation Results Total All Groups
District-paid Present Value of Benefits:				
Actives	$ 14,825,261	$ 10,850,683	$ 1,327,798	$ 27,003,742
Retirees	4,952,056	2,672,419	643,371	8,267,846
Total District-Paid PVFB:	$ 19,777,317	$ 13,523,102	$ 1,971,169	$ 35,271,588
District-paid Accrued Liability:				
Actives	$ 7,367,275	$ 5,798,787	$ 657,143	$ 13,823,205
Retirees	4,952,056	2,672,419	643,371	8,267,846
Total District-Paid AL:	$ 12,319,331	$ 8,471,206	$ 1,300,514	$ 22,091,051
Assets*	-	-	-	-
District-paid Unfunded Accrued Liability ("UAL")	**$ 12,319,331**	**$ 8,471,206**	**$ 1,300,514**	**$ 22,091,051**
GASB 45 ARC ("Annual Required Contributions")				
Service Cost at Year-end	$ 579,699	$ 474,348	$ 65,875	$ 1,119,922
30-year amortization of District-paid UAL	801,391	551,064	84,600	1,437,055
Total ARC	**$ 1,381,090**	**$ 1,025,412**	**$ 150,475**	**$ 2,556,977**

*Assets, if any, allocated in proportion to AL pursuant to CDE guidelines only; GASB 45 does not provide authority for this calculation

			Amounts
Net OPEB Obligation	**6/30/2008**		**-**
ARC for 2008-9			2,608,733
Interest adjustment to ARC			-
Amortization adjustment to ARC			-
Annual OPEB Cost 2008-9			**2,608,733**
Employer Contribution			(897,971)
Net OPEB Obligation	**6/30/2009**		**1,710,762**
ARC for 2009-10			2,305,698
Interest adjustment to ARC			85,538
Amortization adjustment to ARC			(111,288)
Annual OPEB Cost 2009-10			**2,279,948**
Employer Contribution			(891,579)
Change in Net OPEB Obligation 2009-10			1,388,369
Net OPEB Obligation	6/30/2009		1,710,762
Net OPEB Obligation	**6/30/2010**		**3,099,131**
ARC for 2010-11			2,305,698
Interest adjustment to ARC			154,957
Amortization adjustment to ARC			(201,604)
Annual OPEB Cost 2010-11			**2,259,051**
Employer Contribution (estimated)			(998,234)
Change in Net OPEB Obligation 2010-11			1,260,817
Net OPEB Obligation	6/30/2010		3,099,131
Net OPEB Obligation	**6/30/2011**	**estimated**	**4,359,948**
ARC for 2011-12			2,556,977
Interest adjustment to ARC		estimated	217,997
Amortization adjustment to ARC		estimated	(283,622)
Annual OPEB Cost 2011-12		**estimated**	**2,491,352**