



June 25, 2014

Mr. Robert A. Marical  
Business Manager  
Dixie School District  
380 Nova Albion Way  
San Rafael, CA 94903

Re: Dixie School District ("District") GASB 45 Valuation

Dear Mr. Marical:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2014.

In June, 2004 the Governmental 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, 2014. This report may be compared with the valuation performed by Buck Consultants as of June 30, 2012, 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 \$1,588,632 as of July 1, 2014. 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 4.0% 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 61 retirees as well as 189 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 \$1,588,632 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is \$1,008,251 as of July 1, 2014. 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 \$1,008,251 is comprised of liabilities of \$759,202 for active employees and \$249,049 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 \$1,008,251.

We have determined that Dixie School District's "Annual Required Contributions", or "ARC", for the fiscal year 2014-15, is \$128,863. The \$128,863 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 \$101,737 for the 2014-15 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 \$27,126.

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2014-15 fiscal year. We have calculated these adjustments based on an estimated Net OPEB Obligation of \$75,976 as of June 30, 2014, resulting in an AOC for 2014-15 of \$127,508.

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.

**Dixie School District**  
**Annual Liabilities and Expense under**  
**GASB 45 Accrual Accounting Standard**  
**Projected Unit Credit Cost Method**

Item	Amounts for Fiscal 2014-15
Present Value of Future Benefits (PVFB)	
Active	\$1,339,583
Retired	<u>249,049</u>
<b>Total: PVFB</b>	<b>\$1,588,632</b>
Accrued Liability (AL)	
Actives	\$759,202
Retired	<u>249,049</u>
<b>Total: AL</b>	<b>\$1,008,251</b>
Assets	<u>(0)</u>
<b>Total: Unfunded AL</b>	<b>\$1,008,251</b>
Annual Required Contributions (ARC)	
Service Cost At Year-End	\$70,556
30-year Amortization of Unfunded AL	<u>58,307</u>
<b>Total: ARC</b>	<b>\$128,863</b>
Adjustments to ARC	
Interest on Net OPEB Obligation*	3,039
Adjustment to ARC*	<u>(4,394)</u>
<b>Total: Annual OPEB Cost (AOC) for 2014-15</b>	<b>\$127,508</b>

\*Amounts based on estimated June 30, 2014 Net OPEB Obligation of \$75,976.

The ARC of \$128,863, shown above, should be used for both the 2014-15 and 2015-16 fiscal years, but the Annual OPEB Cost for both years must include an adjustment based on the Net OPEB Obligation as reported in the preceding year's financial statement, which is not known precisely in advance.

When the District begins preparation of the June 30, 2014 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 June 30, 2012 by Buck Consultants. The AL (Accrued Liability) as of that date was \$1,057,000 (see page 3 of the prior report), compared to \$1,008,251 as of July 1, 2014. 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 2012. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. This is offset by a reduction in liabilities as outstanding benefit obligations to retirees are satisfied. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. The most important of these factors were as follows:

1. We assumed that 75% of future retirees would elect District-paid benefits (with 25% waiving all benefits); of the 75% electing coverage, we assumed that 40% would waive medical coverage and elect dental coverage only. This change decreased the AL by \$202,727.
2. We lowered the discount rate from 5% to 4% to reflect the decrease in long-term interest rates over the last several years. This change increased the AL by \$37,897.
3. There was a net loss (an increase in the AL) from all other causes of \$121,477. Because of the change in actuarial firms, it is impossible to provide a more precise breakdown of this number. Possible sources include gains or losses from changes in census, changes in actuarial cost methods, and demographic assumptions such as rates of retirement and turnover. DF&A will provide a more detailed gain/loss analysis in future reports.

The changes to the AL since the June 30, 2012 valuation may be summarized as follows:

<b>Change to AL</b>	<b>AL</b>
AL as of 6/30/12	\$1,057,000
Passage of time	(5,396)
Change in percent electing coverage	(202,727)
Change in discount rate	37,897
Other actuarial (gains)/losses	<u>121,477</u>
<b>AL as of 7/1/14</b>	<b>\$1,008,251</b>

## 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. However, 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, or is otherwise credited with, 4.0% per annum on its investments, a starting Fund 68 balance of \$171,335 as of July 1, 2014, 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 18 years (a longer period would result in the fund's exhaustion in the early 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.

**Dixie School District**

**Sample Funding Schedules (Closed Group)**

**Starting Fund 68 Balance of \$171,335 as of July 1, 2014**

<b>Fiscal Year</b>	<b>Pay-as-you-go</b>	<b>Level Contribution for 20 years</b>	<b>Level % of Unfunded Liability*</b>	<b>Constant Percentage Increase</b>
2014	\$101,737	\$102,265	\$217,598	\$87,063
2015	108,021	102,265	181,475	89,675
2016	118,053	102,265	153,786	92,366
2017	126,173	102,265	132,933	95,137
2018	123,758	102,265	117,142	97,991
2019	117,472	102,265	104,301	100,930
2020	112,943	102,265	93,427	103,958
2021	107,016	102,265	84,254	107,077
2022	102,412	102,265	76,309	110,289
2023	99,832	102,265	69,449	113,598
2024	99,035	102,265	63,610	117,006
2025	96,769	102,265	58,704	120,516
2026	94,286	102,265	54,416	124,132
2027	90,461	102,265	50,599	127,856
2028	84,334	102,265	47,064	131,691
2029	78,299	102,265	43,612	135,642
2030	73,772	102,265	40,262	139,711
2031	70,224	102,265	37,118	143,903
2032	67,411	102,265	34,216	0
2033	63,939	102,265	31,563	0
2034	60,169	0	29,079	0
2035	55,933	0	26,725	0
2036	51,228	0	24,467	0
2037	46,473	0	22,281	0
2038	41,613	0	20,174	0
2039	37,420	0	18,149	0
2040	33,405	0	16,243	0
2041	29,873	0	14,461	0
2042	26,600	0	12,816	0
2043	23,692	0	11,307	0
2044	21,004	0	9,935	0
2045	18,518	0	8,693	0
2046	16,359	0	7,573	0
2047	14,407	0	6,571	0
2048	12,716	0	5,679	0
2049	11,276	0	4,890	0
2050	9,982	0	4,196	0
2055	4,224	0	1,808	0
2060	1,467	0	665	0

**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, increased by 20% at all ages. This 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 4.0% 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.

We have determined that the separate medical premium structure used for the District's early retirees is actuarially sufficient to cover claim costs for that group; therefore, we have based the valuation on those premiums and have determined that there is no implicit subsidy under GASB 45.

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. Projected pay-as-you-go costs for selected years are as follows:

<b>FYB</b>	<b>Pay-as-you-go</b>
2014	\$101,737
2015	108,021
2016	118,053
2017	126,173
2018	123,758
2019	117,472
2020	112,943
2025	96,769
2030	73,772
2035	55,933
2040	33,405
2045	18,518
2050	9,982
2055	4,224
2060	1,467

### **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 and Annual OPEB Cost (AOC)**

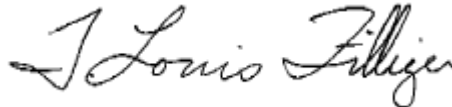
Exhibit II shows a development of the District's Net OPEB Obligation as of June 30, 2010 through June 30, 2014, and the Annual OPEB Cost ("AOC") for the fiscal years ending June 30, 2011 through June 30, 2015. As of the date this report is being published, the Net OPEB Obligation as of June 30, 2014 and the AOC for the 2014-15 fiscal year are estimates.

### **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, FSA, EA, MAAA  
Partner & Actuary



## Benefit Plan Provisions

This report analyzes the health and welfare benefit plans of the District including medical, prescription drug, and dental benefits. Active employees and retirees are offered a choice of six fully-insured medical/prescription drug options from Kaiser and HealthNet. In addition, all groups are offered dental benefits through Delta Dental.

Certificated employees (including management) who attain age 55 and have completed at least 5 years of service, and Classified employees (including confidential and management) who attain age 55 and have completed at least 10 years of service, are eligible to retire with District-paid medical/prescription drug and dental coverages, to a maximum of \$425 per month. Benefits are paid for 5 years regardless of Medicare eligibility, and are subject to rules described below. Employees must be at least 50% full-time equivalent (or 20 hours/week or greater) in order to be eligible.

Once the 5 years of benefits end, retirees who continue in the District medical plan are eligible to receive a lifetime District contribution of \$7.40 per month.

Employees must be participating in the medical plan at the time of retirement to be eligible for full benefits. Employees who waived medical coverage prior to retirement and are only participating in the dental plan will receive a District contribution equal to the dental premium only, including the cost of spousal coverage if applicable. Retirees are allowed to drop medical coverage within the first 5 years and continue to receive their full \$425 per month contribution provided the funds are used to purchase medical insurance elsewhere. However, participation in the dental plan is required for new retirees in order to continue their benefit eligibility.

Medicare-eligible retirees in the first 5 years of retirement whose total premiums (medical plus dental) are less than \$425 per month receive a monthly check from the District for the balance. It is required that this cash payment be used to cover Medicare Part B expenses and/or other supplemental coverages; proof of eligible expenses may be requested by the District.

The following table shows monthly rates for selected coverages (HealthNet Medicare-coordinated coverages are also available). The retiree must pay the excess, if any, of these rates over the District caps described above. The rates shown below went into effect as of October 1, 2013:

Plan	Retiree	Retiree Plus 1
Kaiser Traditional	\$847.20	\$1,821.48
Kaiser Value Option	694.59	1,493.37
Kaiser HSA	605.13	1,301.13
Kaiser Senior Advantage	296.69	593.38
HealthNet HMO	2,221.35	4,775.84
HealthNet Value Option HMO	1,898.45	4,081.64
HealthNet POS	2,239.28	4,814.53
Delta Dental	68.54	139.99

<b>Valuation Data</b>
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Age distribution of retirees receiving District-paid health benefits

Age	Medical and Dental	Dental Only	\$7.40 per month	Total
Under 55	0	0	1	1
55-59	1	1	0	2
60-64	3	3	0	6
65-69	9	5	2	16
70-74	3	1	5	9
75-79	0	1	10	11
80-84	0	0	8	8
85-89	0	0	6	6
90+	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
All Ages	16	11	34	61
Average Age	65.69	66.73	79.00	73.30

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	35-39	40+	Total
<u>Age</u>										
20-24	1									1
25-29	9	0								9
30-34	9	6	1							16
35-39	5	5	4	0						14
40-44	7	7	4	5	0					23
45-49	9	7	8	7	1	0				32
50-54	4	8	7	3	2	2	0			26
55-59	7	4	8	4	4	3	0	1		31
60-64	2	6	6	7	4	2	1	0	0	28
65+	<u>0</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>9</u>
Total	53	44	41	27	13	8	1	2	0	189

Average Age: 45.88  
Average Service 13.84

## Actuarial Assumptions

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

Valuation Date:	July 1, 2014
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open period
Discount Rate:	4.0% per annum
Return on Assets:	4.0% per annum
Pre-retirement Turnover:	According to Crocker-Sarason Table T-5 less mortality, increased by 20% at all ages. Sample rates are as follows:

Age	Turnover (%)
25	9.2%
30	8.6
35	7.6
40	6.2
45	4.8
50	3.1
55	1.1

Pre-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.33	0.18
30	0.42	0.23
35	0.73	0.42
40	0.98	0.59
45	1.29	0.93
50	1.72	1.36
55	2.88	2.47
60	5.56	4.76

Post-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
60	5.56	4.76
65	10.75	9.14
70	18.52	15.77
75	31.95	25.52
80	57.06	42.17
85	101.80	72.05
90	174.80	127.02

<b>Actuarial Assumptions (Continued)</b>
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Claim Cost per Retiree or Spouse (before cap):

Age	Medical/Rx	Dental
50-64	\$10,166	\$822
65+	3,580	822

Retirement Rates:

Age	Percent Retiring*
55	5.0%
56	6.0
57	8.0
58	9.0
59	10.0
60	11.0
61	12.0
62	15.0
63	18.0
64	20.0
65	22.0
66-69	25.0
70	100.0

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

Trend Rate:

Healthcare costs are assumed to increase according to the following schedule:

FYB	Medical/Rx	Dental
2014	8.0%	4.0%
2015	7.0	4.0
2016	6.0	4.0
2017+	5.0	4.0

Percent Married:

For purposes of supplemental dental coverage during the 5 years following retirement, 50% of future retirees were assumed to have covered spouses. Male spouses assumed 3 years older than female spouses. For current retirees, actual spousal data was used.

Future District Caps:

Assumed frozen for all future years.

Percent Electing Coverage:

75% of future retirees; 40% of these assumed to waive medical.

## Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Dixie School District ("District") as of July 1, 2014.

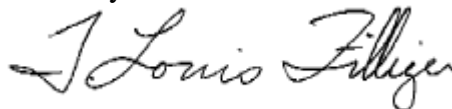
The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in May, 2014. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections 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. We have assumed no post-valuation mortality improvements, consistent with our belief that there will be no further significant, sustained increases in life expectancy in the United States over the projection period covered by the valuation.

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, FSA, EA, MAAA Date: 6/25/14  
Partner & Actuary

**Dixie School District**  
**GASB 45 Valuation Results By Employee Group**

	<u>7/1/2014</u> <u>Valuation Results</u> <u>Certificated</u>	<u>7/1/2014</u> <u>Valuation Results</u> <u>Classified</u>	<u>7/1/2014</u> <u>Valuation Results</u> <u>Certificated Mgmt.</u>	<u>7/1/2014</u> <u>Valuation Results</u> <u>Classified Mgmt.</u>	<u>7/1/2014</u> <u>Valuation Results</u> <u>Confidential</u>	<u>7/1/2014</u> <u>Valuation Results</u> <u>Total All Groups</u>
District-paid Present Value of Benefits:						
Actives	\$ 694,240	\$ 546,020	\$ 57,704	\$ 10,243	\$ 31,376	\$ 1,339,583
Retirees	<u>116,396</u>	<u>77,113</u>	<u>55,540</u>	-	-	<u>249,049</u>
Total District-Paid PVFB:	\$ 810,636	\$ 623,133	\$ 113,244	\$ 10,243	\$ 31,376	\$ 1,588,632
District-paid Accrued Liability:						
Actives	\$ 367,425	\$ 334,728	\$ 27,793	\$ 5,391	\$ 23,865	\$ 759,202
Retirees	<u>116,396</u>	<u>77,113</u>	<u>55,540</u>	-	-	<u>249,049</u>
Total District-Paid AL:	\$ 483,821	\$ 411,841	\$ 83,333	\$ 5,391	\$ 23,865	\$ 1,008,251
Assets*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District-paid Unfunded Accrued Liability ("UAL")	<b>\$ 483,821</b>	<b>\$ 411,841</b>	<b>\$ 83,333</b>	<b>\$ 5,391</b>	<b>\$ 23,865</b>	<b>\$ 1,008,251</b>
<u>GASB 45 ARC ("Annual Required Contributions")</u>						
Service Cost at Year-end	\$ 33,095	\$ 31,510	\$ 3,535	\$ 561	\$ 1,855	\$ 70,556
30-year amortization of District-paid UAL	<u>27,979</u>	<u>23,817</u>	<u>4,819</u>	<u>312</u>	<u>1,380</u>	<u>58,307</u>
Total ARC (District's Annual Expense)	<b>\$ 61,074</b>	<b>\$ 55,327</b>	<b>\$ 8,354</b>	<b>\$ 873</b>	<b>\$ 3,235</b>	<b>\$ 128,863</b>

\*Assets, if any, allocated in proportion to AL for illustration purposes only; GASB 45 does not provide authority for this calculation.

	<b>Amount</b>
<b>Net OPEB Obligation 6/30/2010</b>	<b>54,168</b>
ARC for 2010-11	89,500
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
<b>Annual OPEB Cost 2010-11</b>	<b>89,500</b>
Employer Contribution	(86,189)
Change in Net OPEB Obligation 2010-11	3,311
Net OPEB Obligation 6/30/2010	54,168
<b>Net OPEB Obligation 6/30/2011</b>	<b>57,479</b>
ARC for 2011-12	123,400
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
<b>Annual OPEB Cost 2011-12</b>	<b>123,400</b>
Employer Contribution	(102,625)
Change in Net OPEB Obligation 2011-12	20,775
Net OPEB Obligation 6/30/2011	57,479
<b>Net OPEB Obligation 6/30/2012</b>	<b>78,254</b>
ARC for 2012-13	121,000
Interest on Net OPEB Obligation	4,100
Amortization adjustment to ARC	(5,400)
<b>Annual OPEB Cost 2012-13</b>	<b>119,700</b>
Employer Contribution	(110,275)
Change in Net OPEB Obligation 2012-13	9,425
Net OPEB Obligation 6/30/2012	78,254
<b>Net OPEB Obligation 6/30/2013</b>	<b>87,679</b>
ARC for 2013-14	118,000
Interest on Net OPEB Obligation	4,384
Amortization adjustment to ARC	(5,704)
<b>Annual OPEB Cost 2013-14</b>	<b>116,680</b>
Employer Contribution (estimated)	(128,383)
Change in Net OPEB Obligation 2013-14	(11,703)
Net OPEB Obligation 6/30/2013	87,679
<b>Net OPEB Obligation 6/30/2014 estimated</b>	<b>75,976</b>
ARC for 2014-15	128,863
Interest on Net OPEB Obligation estimated	3,039
Amortization adjustment to ARC estimated	(4,394)
<b>Annual OPEB Cost 2014-15 estimated</b>	<b>127,508</b>