

**NEW YORK STATE  
OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
POSTRETIREMENT BENEFITS OTHER THAN PENSION  
ACTUARIAL VALUATION FOR GASB NO. 45  
FISCAL YEAR ENDED MARCH 31, 2009**

**FINAL REPORT ISSUED  
JUNE 12, 2009**

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
POSTRETIREMENT BENEFITS OTHER THAN PENSION  
ACTUARIAL VALUATION FOR GASB NO. 45  
FISCAL YEAR ENDED MARCH 31, 2009**

I, Annie Brown Voldman, am President of Annie Brown Voldman, Consulting Actuary, PC. 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 contained in this report.

Actuarial computations under Government Statement of Accounting Standard No. 45 (GASB 45) are for purposes of fulfilling certain employer accounting requirements. The calculations reported herein have been made on a basis consistent with my understanding of GASB 45. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results reported herein.

---

Annie Brown Voldman, MAAA, COPA

---

Date

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	i-iii
SUMMARY OF DISCLOSURES REQUIRED UNDER GASB 45	1
ANNUAL REQUIRED CONTRIBUTION (ARC), ADJUSTMENT TO ARC AND EMPLOYER CONTRIBUTION	2
CHANGES IN UNFUNDED ACCRUED LIABILITY SINCE PRIOR FISCAL YEAR	3
ACTUARIAL ACCRUED LIABILITY AND AMORTIZATION BASES	4
PARTICIPANT DATA STATISTICS	5
ACTUARIAL ASSUMPTIONS AND FUNDING METHOD	6-7
SUMMARY OF EMPLOYER PROVIDED RETIREE HEALTH BENEFITS	8
HISTORICAL SUMMARY OF DEVELOPMENT OF FISCAL YEAR END OPEB LIABILITY	9

## INTRODUCTION

Following is the report of the GASB 45 actuarial valuation made of postretirement benefits other than pension ("OPEB") provided by the New York State Olympic Regional Development Authority ("ORDA") for its retirees and their spouses. The valuation has been performed as of the first day of ORDA's fiscal year beginning April 1, 2008. Results of the valuation are projected forward to the end of the year for financial statement disclosure as of March 31, 2009.

### **Actuarial Accrued Liability**

Actuarial Accrued Liability (AAL) represents the portion of total benefit liability that is attributed to service rendered to date by employees and retirees covered by the Plan. The AAL measured as of April 1, 2008 is \$31,051,151 and projected to year-end is \$33,552,357:

	Actuarial Accrued Liability as of:	
	<u>April 1, 2008</u>	<u>March 31, 2009</u>
Active Employees:	\$17,955,629	\$20,462,318
Retirees:	<u>\$13,095,522</u>	<u>\$13,090,039</u>
Total:	\$31,051,151	\$33,552,357

Accrued Liability increases each year from active employee service and decreases as retirees receive benefits. For less mature groups such as this one (e.g. a large portion of members are not yet retired, or are young retirees), increases in active employee liability generally outweigh reductions in retiree liability, meaning overall liability is expected to increase each year. This year's liability, however, is significantly higher than anticipated (see page 3), due to a reduction in the discount rate from 5.0% to 3.7% and the Plan's experience (see next page)

### **Annual Required Contribution (ARC)**

This year's ARC is \$3,935,502 (see page 2). Included in the ARC is Normal Cost of \$1,776,597, Amortization of \$2,018,488 and interest of \$140,418. Amortization includes amortization of last year's initial Accrued Liability over the remaining period of 29 years and net gain/loss over a fixed 15 year period.

### **Annual OPEB Cost**

Annual OPEB Cost for the fiscal year is \$3,820,277 (see pages 1-2). It consists of interest on last year's OPEB Obligation (\$83,489), the ARC (\$3,935,502) and the "ARC Adjustment" (198,714). For unfunded Plans, the ARC adjustment is negative to prevent overstating liabilities for unpaid contributions – the cumulative effect of contributions that are less than the ARC – which amounts are part of the ARC gain/loss amortization and the opening OPEB Obligation.

### **Plan Contributions and Net OPEB Obligation at Fiscal Year End**

Annual OPEB Cost for the fiscal year is offset by Employer contributions, which under pay-as-you-go funded plans are equal to the claims costs (generally insurance premiums when benefits are insured) paid on behalf of the retired employee group during the fiscal year. ORDA contributions for the fiscal year, net of retiree co-premiums, totaled \$481,118, resulting in a net

## INTRODUCTION (CONTINUED)

increase in OPEB Obligation for the year of \$3,339,160 (\$3,820,277-\$481,118). Net OPEB Obligation at 3/31/09 is \$5,595,613. See pages 1 and 9.

### **Plan Experience – Actuarial Gain/Loss and Contribution Shortfalls**

Actuarial gain or loss, measured as of the beginning of year valuation date, is the difference between expected Unfunded Accrued Liability (UAL) and actual UAL. Gain/loss arises when (1) experience is different than anticipated under the prior year assumptions; and (2) contributions for the prior year were less than the prior ARC. Page 3 details the determination of this year's net loss of \$10,533,152:

Plan Experience:	\$8,276,978
Contribution Deficiency:	\$2,256,453
Total Loss:	\$10,533,431

Plan experience includes changes in actuarial assumptions. Discount rate was reduced from 5.0% to 3.7%, accounting for \$6,182,008 (75%) of the above loss from experience. The balance was mainly due to an increase in the size of the valuation group which grew from 286 to 323.

### **Actuarial Assumptions**

All of the actuarial assumptions set forth in the valuation are outlined on pages 6-7. Significant assumptions follow:

#### Discount Rate

Discount is the rate at which all future benefit payment liabilities are discounted and the rate which is charged annually to the net OPEB Obligation. GASB 45 suggests that an appropriate rate for pay-as-you-go plans should reflect the investment policy of the Employer for its internal assets (generally cash). Last year's rate was 5.0%. In light of currently very low rates available for cash equivalents, however, ORDA has reduced the rate to 3.7%.

#### Initial Per Capita Claims Cost:

The initial per capita annual claims cost represents the average retiree claims incurred per covered life in the initial year of the actuarial valuation. When benefits are funded with insurance, then the use of insurance premiums is generally permissible as long as the rates are determined on a community rated basis and are not experience based. Retiree benefits provided by ORDA are funded through several insurance plans, some of which are community rated, some of which are a blend of self-experience and community rating. Per capita costs used in the valuation were developed as blended applicable premium rates for the fiscal year, weighted by coverage and developed separately for management, union and Medicare eligible groups. They are outlined on page 6.

For purposes of this valuation, premiums have not been adjusted for age other than for Medicare eligible (e.g. less than 65 and 65+) given (1) community rating applied to all rates except the Excellus Plans (EPO & PPO) which are partially experience rated; and

## INTRODUCTION (CONTINUED)

(2) the relative small size of the retiree group within the Excellus group. For future valuations, it may be necessary to obtain age-based premiums from the insurer for the Excellus PPO and EPO Plans. If not available, group premium rates may need to be age adjusted to reflect the experience and/or age of the retiree group, which may raise the per capita costs depending on the make up of the group and its experience.

### Annual Rates of Trend:

Trend represents the annual rate at which future claims costs are expected to change. No change has been made to the trend rates established last year. Medical trend grades down from 9.0% to 6.0% over a 7 year period; dental/vision rates are fixed at 5.0% per annum. Rate changes over the last valuation year (e.g. from 4/1/08 to 4/1/09) were about as expected, with per capita costs increases averaging approximately 12% as compared to the 11.25% expected increase.

### Assumed Retirement Age:

The valuation must make an assumption as to the age at which employees are expected to retire. No change has been made from the age 60 assumption used in last year's valuation, which was selected based on experience of current retiree group. Earlier retirement ages mean longer periods of benefits are paid out to retired employees. Earlier than anticipated retirement means actuarial loss; later means actuarial gain. The assumption will be reviewed each year in light of continued experience.

### Participation Rates at Retirement.

Current employee and two-person coverage status is assumed to continue into retirement. This means that only employees who (1) are currently enrolled in an ORDA health plan; and (2) are currently accruing service credits under the NYSRS are assumed to meet eligibility for benefits at retirement. Spousal coverage is assumed if the employee is both married and currently enrolled under 2-life coverage. Page 5 provides a summary of statistical coverage information, including the statistic that presently 78% of the active valuation group is meeting both of these requirements. This translates to an approximate participation rate of 80%. This is higher than last year's participation rate of 69% or approximately 70%, accounting for a portion of the actuarial loss since last year's valuation.

### Employee Turnover and Mortality

Turnover is not applicable for retirees. Mortality is used to determine retirees (and future retirees) life expectancies. For active employees, these are the rates at which employees are expected to leave employment. They are applied to discount benefit liabilities to account for the expectation that many employees will leave ORDA prior to becoming eligible for benefits. No change has been made in either assumption since last year. Page 6 provides sample rates of continued employment to age 60 at various ages.

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**SUMMARY OF DISCLOSURES REQUIRED UNDER GASB 45**

*Annual OPEB Cost:*

Annual Required Contribution (ARC):	3,935,502
Interest on net beginning OPEB Liability:	83,489
Adjustment to ARC:	(198,714)
Annual OPEB Cost:	3,820,277

*Components of Annual Required Contribution (ARC):*

Normal Cost	1,776,597
Amortization of Accrued Liability:	2,018,488
Interest Cost:	140,418
Annual Required Contribution:	3,935,502

*Change in OPEB Obligation During the Fiscal Year*

OPEB Liability at beginning of fiscal year:	2,256,453
Interest on OPEB Obligation:	83,489
Annual Required Contribution (ARC) for the fiscal year:	3,935,502
Adjustment to the ARC:	(198,714)
Employer Contribution made during the fiscal year:	(481,117)
OPEB Obligation at end of fiscal year:	5,595,613
Net change in OPEB Obligation::	3,339,160

*Funded Status at end of Fiscal Year::*

Accrued Liability at end of year:	33,552,357
Plan assets at end of year:	0
Unfunded Accrued Liability:	(33,552,357)
Percentage of Funded Accrued Liability:	0%

*Actuarial Cost Method used to determine ARC:*

Projected Unit Credit

*Amortization Method and Period for recognizing Accrued Liability:*

Level dollar  
Initial over 30 years  
Subsequent Cumulative Gain/loss over 15 years

*Actuarial Assumptions:*

See pages 5-6

*Plan Description:*

See page 7

*Employer Funding Policy:*

Pay as you go funding

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**ANNUAL REQUIRED CONTRIBUTION (ARC), ADJUSTMENT TO ARC AND EMPLOYER CONTRIBUTION**

*ANNUAL REQUIRED CONTRIBUTION (ARC):*

a. Normal Cost as of Valuation Date:	1,776,597
b. Amortization of Accrued Liability, as of Valuation Date:	2,018,488
c. Interest charge to end of fiscal year:	140,418
d. Annual Required Contribution for the fiscal year (a+b+c)	3,935,502

*ADJUSTMENT TO ARC:*

a. Net OPEB Obligation at beginning of year:	2,256,453
b. Amortization period applicable to gain/loss at beginning of year:	15.00
c. Level Dollar Amortization Factor:	11.355297
d. Adjustment to ARC (a/c):	(198,714)

*EMPLOYER CONTRIBUTIONS MADE DURING THE FISCAL YEAR:*

a. Medical, dental and vision premiums paid on behalf of retirees:	605,364
b. Retiree co-premiums, determined without regard to retiree sick leave credits:	124,246
c. Net Employer contributions (a-b):	481,118 <sup>(1)</sup>

<sup>(1)</sup> Net employer contributions have been estimated by applying cost-sharing provisions of plan to valuation initial per capita costs (see page 5)

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**CHANGES IN UNFUNDED ACCRUED LIABILITY SINCE PRIOR FISCAL YEAR**

*Expected Unfunded Accrued Liability*

1. Accrued Liability at prior Valuation Date:	20,831,261
2. Actuarial Asset Value at prior Valuation Date:	0
3. Unfunded Accrued Liability at prior Valuation Date:	20,831,261
4. Prior year's Normal Cost:	1,168,095
5. Employer contributions for prior year:	325,151
6. Interest to current Valuation Date:	1,099,968
7. Expected Unfunded Accrued Liability (3+4-5+6)	22,774,173

*Actual Unfunded Accrued Liability*

1. Accrued Liability at current Valuation Date (prior to changes):	31,051,151
2. Actuarial Asset Value at current Valuation Date:	0
3. Actual Unfunded Accrued Liability (1-2):	31,051,151

*Net Actuarial (Gain)/Loss from Plan Experience:* 8,276,978

*Contribution Deficiency or Excess Contributions:*

1. Prior year ARC:	2,581,604
2. Prior year Contribution:	325,151
3. Contribution Deficiency or (Excess) (1-2):	2,256,453

*Total (Gain) or Loss since Prior Valuation Date:* 10,533,431 <sup>(1)</sup>

<sup>(1)</sup> Amortized as additional component of current year ARC

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**ACTUARIAL ACCRUED LIABILITY AND AMORTIZATION BASES**

Actuarial Accrued Liability is determined using the Projected Unit Credit (PUC) funding method. Under the PUC method, Actuarial Accrued Liability for employees not yet retired is the portion of employees' Present Value of Future Benefits (PVFB) attributed to employment service completed to date as compared to total service at employees' expected retirement dates. For retirees, Actuarial Accrued Liability is each retiree's PVFB. The Present Value of Future Benefits is computed using the actuarial assumptions set forth on pages 5-6.

	<i>Beginning of Fiscal Year</i>	<i>End of Fiscal Year</i>
<i>1. Actuarial Accrued Liability (AAL):</i>		
a. Active participants:	17,955,629	20,462,318
b. Retired participants:	13,095,522	13,090,039
c. Total Actuarial Accrued Liability:	31,051,151	33,552,357
 <i>2. Projection of Actuarial Accrued Liability to end of fiscal year:</i>		
a. AAL at beginning of year:	31,051,151	
b. Normal Cost at beginning of year:	1,776,597	
c. Expected retiree benefit payments during the year:	481,117 <sup>(1)</sup>	
d. Weighting factor for timing of claims payments:	0.5	
e. Assumed discount rate:	3.70%	
f. Interest to end of year [e*(a+b-(c*d))]:	1,205,726	
g. Expected AAL at end of year (a+b-c+f):	33,552,356	

<sup>(1)</sup> In pay-as-you-go Plan, such as this one, benefit payments are equal to employer contributions made during the fiscal year

Initial Actuarial Accrued Liability as of the date GASB 45 is adopted is amortized as a component of the Annual Required Contribution (ARC). The amortization method is level dollar amortized over a 30 year period. For years subsequent to the initial adoption of GASB 45, cumulative gains/losses are amortized over a fixed 15 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year's ARC under GASB 45.

<u>Date</u>		<u>Initial</u>	<u>Initial</u>	<u>Remaining</u>	<u>Remaining</u>	<u>Annual</u>
<u>Established</u>	<u>Reason</u>	<u>Amount</u>	<u>Amortization</u>	<u>Balance at</u>	<u>Amortization</u>	<u>Amortization</u>
			<u>Period</u>	<u>Val Date</u>	<u>Period</u>	<u>Payment</u>
01-Apr-07	GASB 45 Adoption	20,831,261	30	20,517,721	29	1,123,962
01-Apr-08	Cumulative (Gain)/Loss	10,533,431	15	10,533,431	15	894,525
<i>Total</i>				<i>31,051,152</i>		<i>2,018,488</i>

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**PARTICIPANT DATA STATISTICS**

*A. Retirees and Surviving Spouses currently receiving benefits*

Retirees with single life coverage:	19
Retirees with covered spouses or dependent children:	41
Surviving Spouses:	5
Total Retirees:	65
Average age of retirees:	64.7
Average life expectancy of retirees:	19.5
Average life expectancy of covered spouses:	23.4

*B. Active Employee Valuation Group:*

Employees with single life coverage:	104
Employees with spousal or family coverage:	116
Employees without coverage:	38
Total number of employees in valuation:	258
Employees not participating in NYSRS:	19
Employees not expected to meet service requirements by expected retirement age:	10
Employees expected to meet eligibility and have coverage at expected retirement age:	202
Percentage of employees expected to be covered at retirement:	78%
Average age of Active Employee Valuation group:	43.0
Average past years of Active Employee Valuation group:	9.9

*C. Total Participants by Union and Management Groups:*

	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Union Employees and Retirees:	154	41	195
Management Employees and Retirees:	66	24	90
Employees not participating in ORDA Health Plan	<u>38</u>	<u>0</u>	<u>38</u>
Total:	258	65	323

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**ACTUARIAL ASSUMPTIONS AND FUNDING METHOD**

ACTUARIAL VALUATION DATE: April 1, 2008

ANNUAL DISCOUNT RATE: 3.70%

VISION/DENTAL TREND (ANNUAL RATE): 5.00%

MEDICAL COST TREND (ANNUAL RATES):	Year	Less than 65	Age 65+
	1	9.00%	9.00%
	2	8.50%	8.50%
	3	8.00%	8.00%
	4	7.50%	7.50%
	5	7.00%	7.00%
	6	6.50%	6.50%
	7	6.00%	6.00%
	8	6.00%	6.00%
	9 or more	6.00%	6.00%

**MORTALITY AND EMPLOYEE TURNOVER:**

RP 2000 Combined (for annuitants and non-annuitants) Mortality Tables for Males and Females. Scale T-3 employee turnover. Sample rates based on combined mortality and turnover illustrate probability of continued employment until age 60.

Current Age	Probability of Continued Employment until Age 60	
	Males	Females
25	32.1%	32.4%
35	53.1%	53.6%
45	80.0%	80.4%
55	97.5%	97.7%

**ASSUMED RETIREMENT AGE:**

Later of age 60 or date eligible for retiree health benefits, but not more than age 65

**EMPLOYEE AND SPOUSE COVERAGE RATES AT RETIREMENT:**

Current Coverage - employees who either (1) are not currently covered by Employer's health plan; or (2) are not in the NYSRS accruing pension credits are not expected to receive health benefits at retirement  
Spouses - current coverage status is used for assumed coverage at retirement.

**INITIAL PER CAPITA CLAIMS COSTS:**

Initial per capita claims costs are a weighted average of applicable premium rates charged by the insured health plans in which the Union and Management groups participate. Rates are determined on both a community rated and partially experience rated basis, depending on the plan.

Age	Initial per Capita Claims Cost	
	Union Group	Management
Med < age 65	5,818	5,852
Med Age 65 +	5,637	3,324
Dental/Vision *	964	
Dental		265

\* Union Dental/Vision per capita costs applies to all coverage (e.g. 1-life, 2-life or family)

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**ACTUARIAL ASSUMPTIONS AND FUNDING METHOD**

*SICK LEAVE CREDITS:* Separately accounted for under GASB 16

*FUNDING METHOD FOR DETERMINING ARC:* Projected Unit Credit Cost Method

Under the Projected Unit Credit method, the actuarial present value of each employee's future retiree health benefit claims costs is allocated over a portion of the employee's employment, the "attribution period". The attribution period for this group begins with the employee's date of employment and ends with the date on which the employee is expected to retire. Accrued Liability for active employees is the portion of benefit liability attributed to service years to date. Normal Cost is the amount of benefit liability attributed to the current employment year. Normal Cost for retired employees is zero.

Initial Actuarial Accrued Liability as of the date GASB 45 is adopted is amortized as a component of the Annual Required Contribution (ARC). The amortization method is level dollar amortized over a 30 year period. For years subsequent to the initial adoption of GASB 45, cumulative gains/losses are amortized over a fixed 15 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year's ARC under GASB 45.

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ACTUARIAL VALUATION FOR GASB NO. 45  
AS OF APRIL 1, 2008 FOR  
FISCAL YEAR ENDED MARCH 31, 2009**

**SUMMARY OF EMPLOYER PROVIDED RETIREE HEALTH BENEFITS**

*ELIGIBILITY*

Employees of the Olympic Regional Development Authority (ORDA) are eligible for for retiree health benefits upon meeting the following requirements:

1. Retire from ORDA
2. Enrolled in ORDA provided health care at time of retirement
3. Have at least 10 years of service under the NYSRS, of which at least 5 such years must have been with ORDA

*CONTINUED MEDICAL, DENTAL AND VISION PLAN COVERAGE FOR RETIREES*

*Union Employees:* Union retirees continue to participate under one of the Plans applicable to ORDA's active employee group. Presently, both retirees under and over 65 participate in the same Plan as actives

Dental and Vision coverage continues for retirees under the Plan covering active union employees.

*Management Employees:* Management retirees not yet 65 continue to participate in the Plan applicable to ORDA's management active employees. Medicare eligible employees aged 65 and older participate in a Medicare Supplemental Plan.

Dental coverage continues for retirees under the Plan covering active management employees. Certain grandfathered retired management employees are provided with vision coverage.

*SPOUSES AND DEPENDENT CHILDREN*

Both management and union retirees are eligible for spousal and dependent children coverage. Coverage continues after the retiree's death through the remainder of the spouses's lifetime.

*RETIREE COST SHARING*

*Union Employees* All coverage - 25% is paid by retiree, 75% by ORDA

*Management Employees:* Single life coverage - 5% paid by retiree, 95% by ORDA  
Two life or family coverage - 12.5% paid by retiree, 87.5% by ORDA

*Surviving Spouses:* Surviving spouses continue to pay the same cost sharing that was in effect prior to the retiree's death.

**NY STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**ACTUARIAL VALUATION FOR GASB NO. 45**  
**AS OF APRIL 1, 2008 FOR**  
**FISCAL YEAR ENDED MARCH 31, 2009**

**HISTORICAL SUMMARY OF DEVELOPMENT OF FISCAL YEAR END OPEB LIABILITY**

(1) <i>Fiscal Year</i>	(2) <i>FY Interest Rate</i>	(3) <i>Opening OPEB Balance</i>	(4) (1)x(2) <i>Interest Charge on OPEB Balance</i>	(5) <i>Annual Required Contribution (ARC)</i>	(6) <i>ARC Adjust Amor Factor</i>	(7) (3)/(6) <i>ARC Adjustment</i>	(8) (4)+(5)+(7) <i>OPEB Cost</i>	(9) <i>Employer Contribution</i>	(10) (8)-(9) <i>Change in OPEB Liability</i>	(11) (3)+(10) <i>Ending OPEB Balance</i>
1	5.0%	0	0	2,581,604	--	--	2,581,604	325,151	2,256,453	<b>2,256,453</b>
2	3.7%	2,256,453	83,489	3,935,502	11.35530	(198,714)	3,820,277	481,117	3,339,160	<b>5,595,613</b>