

**Table 1B**  
**Expected OPEB Disclosures for FYE 2018**

The following exhibit develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation as of June 30, 2018 reflecting the assumed prefunding policy described in this report.

Fiscal Year End	Prefunding Basis		
	6/30/2018	6/30/2018	6/30/2018
Subsidy	Explicit	Implicit	Total
<b>1. Calculation of the Annual OPEB Expense</b>			
a. ARC for current fiscal year	\$ 252,511	\$ 92,948	\$ 345,459
b. Interest on Net OPEB Obligation (Asset)	(47,259)	-	(47,259)
c. Adjustment to the ARC	48,256	-	48,256
d. <b>Annual OPEB Expense (a. + b. + c.)</b>	253,508	92,948	346,456
<b>2. Calculation of Expected Contribution</b>			
a. Estimated payments on behalf of retirees	126,439	-	126,439
b. Estimated current year's implicit subsidy	-	51,150	51,150
c. Estimated contribution to OPEB trust	126,072	41,798	167,870
d. <b>Total Expected Employer Contribution</b>	252,511	92,948	345,459
<b>3. Change in Net OPEB Obligation (1.d. minus 2.d.)</b>	997	-	997
Net OPEB Obligation (Asset), beginning of fiscal year	(702,215)	-	(702,215)
<b>Net OPEB Obligation (Asset) at fiscal year end</b>	(701,218)	-	(701,218)

In the table above, we assumed that the District's contributions would equal 100% of the total ARC of \$345,459. The estimated portion of this total contribution to be made to the OPEB trust is \$167,870 as shown in item 2.c. This contribution amount may need to be adjusted if actual retiree benefit payments are higher or lower than the estimate of \$126,439 shown in item 2.a. above. We also assumed that the District would take credit for the current year's implicit subsidy of \$51,150 (item 2.b.) as an OPEB contribution toward the implicit subsidy ARC.

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (6.73%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).

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