SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
RETIREES' OTHER POST EMPLOYMENT BENEFITS TRUST

INDEPENDENT AUDITOR'S REPORT,
MANAGEMENT'S DISCUSSION AND ANALYSIS,
BASIC FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION

FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
RETIREES' OTHER POST EMPLOYMENT BENEFITS TRUST
June 30, 2011 and 2010

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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Santa Clara Valley Transportation Authority
Retirees' Other Post Employment Benefits Trust
San Jose, California

We have audited the accompanying basic financial statements of the Santa Clara Valley Transportation Authority Retirees' Other Post Employment Benefits Trust (the Trust), a component unit of the Santa Clara Valley Transportation Authority (VTA), as of and for the fiscal years ended June 30, 2011 and 2010 as listed in the table of contents. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2, the financial statements referred to above present only the Trust and do not purport to, and do not present, the financial position of the Santa Clara Valley Transportation Authority as of June 30, 2011 and 2010, and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Trust as of June 30, 2011 and 2010, and the changes in net assets for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Vavrinek Trine Day + Co. LLP

Palo Alto, California
October 26, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For Fiscal Years Ended June 30, 2011 and 2010

This section provides an overview and analysis of the financial activities of Santa Clara Valley Transportation Authority Retirees' Other Post Employment Benefits Trust (Trust) for the fiscal year ended June 30, 2011. The Trust was established in May 2008 by the VTA's Board of Directors and assets held for Other Post Employment Benefits (OPEB) were transferred to the Trust. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements.

FINANCIAL HIGHLIGHTS

The net assets of Santa Clara Valley Transportation Authority Retirees' Other Post Employment Benefits Trust at the close of fiscal year 2011 are $150,715,563 (net assets held in trust for retiree OPEB). All of the net assets are available to meet the Trust's ongoing obligations to Trust participants and beneficiaries. Net assets at the close of 2010 were $119,868,963.

The Trust's funding objective is to meet long-term benefit obligations through contributions and investment income. The Trust was funded in the amount of $15,370,931, $14,212,795 and $15,900,063 respectively, for fiscal year ending June 30, 2011, 2010 and 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to the Trust's financial statements, which comprises these components:

1. Statement of Trust Net Assets
2. Statement of Changes in Trust Net Assets
3. Notes to the Basic Financial Statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Trust Net Assets is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

The Statement of Changes in Trust Net Assets, on the other hand, provides a view of current year additions to and deductions from the Trust. Both statements are in compliance with Governmental Accounting Standard Board Statements (GASB Pronouncements 34, 43 and 45). These pronouncements require certain disclosures and require the state and local governments to report using the full accrual method of accounting. The Trust complies with all material requirements of these pronouncements.

The Statement of Trust Net Assets and the Statement of Changes in Trust Net Assets report information about the Trust's activities. These statements include all assets and liabilities, using the full accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date. In addition, both realized and unrealized gains and losses are shown on investments.

These two statements report the Trust's net assets held in an irrevocable trust account for retirees' medical benefits. Net assets, the difference between assets and liabilities, measure the Trust's financial position. Over time, increases and decreases in net assets indicate whether the Trust's financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the Trust's overall health.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. (See notes to Financial Statements on pages 7-12 of this report).

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning the Trust's progress in funding its obligations to provide OPEB to members.

FINANCIAL ANALYSIS

As previously noted, net assets may serve over time as a useful indication of the Trust's financial position. The assets of the Trust exceeded its liabilities at the end of fiscal years 2011, 2010 and 2009 as follows:

(Table 1)

Statement of Trust Net Assets

	June 30, 2011	June 30, 2010	June 30, 2009
Assets			
Investments at fair value	$ 150,696,397	$ 119,711,058	$ 100,278,297
Other assets	530,935	497,618	541,205
Total Assets	151,227,332	120,208,676	100,819,502
Liabilities			
Current liabilities	511,769	521,713	526,995
Net Assets	$ 150,715,563	$ 119,686,963	$ 100,292,507

For the year ended June 30, 2011, the Trust's net assets held for OPEB benefits rose by $31,028,600 or 26%, as a result of an increase in the fair market value of Trust investments. The Trust's liabilities decreased in fiscal year 2011 mainly because of lesser accounts payable outstanding at the year-end.

(Table 2)

Additions to Trust Net Assets			
	June 30, 2011	June 30, 2010	June 30, 2009
Contributions	$ 15,370,931	$ 14,212,795	$ 15,900,063
Net investment income (loss)	23,529,243	12,658,617	(12,624,397)
Total Additions	$ 38,900,174	$ 26,871,412	$ 3,275,666

VTA's contributions to the Trust increased by $1,158,136 in fiscal year ended June 30, 2011. In fiscal year 2008, there was a one-time transfer of $101,738,374 from VTA to the OPEB Trust as a part of GASB 45 implementation. Investment income was $10,870,626 higher in fiscal year 2011 due to an increase in the market value of Trust investments.

(Table 3)

Deductions to Trust Net Assets			
	June 30, 2011	June 30, 2010	June 30, 2009
Distributions to participants	$ 7,844,819	$ 7,476,956	$ 7,368,205
Administrative expenses	26,755	-	24,300
Total Deductions	$ 7,871,574	$ 7,476,956	$ 7,392,505

The distributions to participants which represent premium payments for retiree medical benefits increased by $367,863 or 4.9% due to higher cost of health benefits in fiscal year 2011. Actuarial fees which were not incurred in fiscal year 2010 were incurred in fiscal year 2011.

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SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
RETIREES' OTHER POST EMPLOYMENT BENEFITS TRUST

STATEMENT OF TRUST NET ASSETS
AS OF JUNE 30, 2011 and 2010

ASSETS		
Investments	2011	2010
Corporate obligations	$ 20,857,258	$ 20,017,978
U.S. Government agency	29,225,964	24,938,663
U.S. Treasury obligations	10,624,743	4,990,160
Money market	171,694	1,053,014
Pooled cash and cash equivalent with VTA Enterprise	827,136	1,390,349
Mutual funds	88,989,602	67,320,894
Total investments	150,696,397	119,711,058
Interest receivable	530,935	497,618
TOTAL ASSETS	151,227,332	120,208,676
LIABILITIES		
Accounts payable	511,769	521,713
TOTAL LIABILITIES	511,769	521,713
NET ASSETS		
Held in trust for retiree OPEB benefits	150,715,563	119,686,963
TOTAL NET ASSETS	$ 150,715,563	$ 119,686,963

(A schedule of funding progress is presented on page 13)

See accompanying notes to the basic financial statements

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
RETIREES' OTHER POST EMPLOYMENT BENEFITS TRUST

STATEMENT OF CHANGES IN TRUST NET ASSETS
FOR FISCAL YEARS ENDED JUNE 30, 2011 and 2010

ADDITIONS:		
	2011	2010
VTA Contributions	$ 15,370,931	$14,212,795
Net investment income:		
Net appreciaton (depreciation) in investments	21,184,731	10,120,117
Investment earnings	2,479,714	2,668,936
Investment expense	(135,202)	(130,436)
Total net investment income	23,529,243	12,658,617
TOTAL ADDITIONS	38,900,174	26,871,412
DEDUCTIONS		
Distributions to participants	7,844,819	7,476,956
Administrative expenses	26,755	-
TOTAL DEDUCTIONS	7,871,574	7,476,956
INCREASE (DECREASE) IN TRUST ASSETS	31,028,600	19,394,456
NET ASSETS		
Beginning of year	119,686,963	100,292,507
End of year	$ 150,715,563	$ 119,686,963

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2011 and 2010

NOTE 1 – DESCRIPTION OF THE TRUST

The following description of the Retirees' Other Post Employment Benefits Trust (Trust), a component unit of the Santa Clara Valley Transportation Authority (VTA), provides only general information. Readers should refer to the Trust agreement for a more complete description of the Trust's provisions.

A. General

The Trust is a contributory single-employer defined benefit Trust administered by the Santa Clara Valley Transportation Authority. The current membership of the Trust as of June 30, 2011 and 2010 comprises of the following:

	2011	2010	2009
ATU Retirees	821	826	853
Non - ATU Retirees	358	332	310
TOTAL	1,179	1,158	1,163

B. Trust Benefits

Employees who retire directly from VTA are eligible for retiree health benefits if they meet certain requirements relating to age and service. For ATU retirees, VTA provides an ATU Retiree Health Care Program (the ATU Program), a post-employment benefit, in accordance with the agreement between VTA and the ATU, to all ATU represented employees who retire from VTA on or after attaining the age of 55 with at least 15 years of service, or age 65 with 10 years of service, or upon Board approval age 65 with 5 years of service, or if an employee becomes disabled and has completed at least 10 years of service. ATU retirees can select either the Kaiser, United Health Care, or Valley Health Plan retiree health plans. VTA pays the full cost of the employee-only premium, and ATU retirees who are eligible for Medicare are reimbursed for the Medicare Part B premium. ATU employees who retire on or after September 1, 2004, must contribute $25 toward the employee only monthly premium. Employees who retire on or after January 1, 2011 pay $35 or the excess above the Kaiser Medicare out of area (OOA) rate. As of June 30, 2011 and 2010, respectively, 821 and 826 retirees met the eligibility requirements for the ATU Program.

All administrative employees who retire directly from VTA with age at least 50 years are also covered under a Retiree Health Care Program (the administrative retiree program) if they retire with at least 5 years of service, if hired before the following dates, or with at least 8 years of service (2,088 days) or with at least 15 years of service (3,915 days) if hired on or after the following dates.

- Service Employees International Union (SEIU) represented employees on or after May 15, 2006 (8 years).
- Transportation Authority Engineers and Architects Association (TAEA) represented employees on or after December 5, 2006 (8 years).
- American Federation of State, County and Municipal Employees (AFSCME) represented employees hired between August 10, 2007 and December 31, 2009 (8 years), and on or after January 1, 2010 (15 years).
- Non-represented employees hired before 2/11/08 (5 years), hired between 2/11/08 and 10/31/09 (8 years), and on or after November 1, 2009 (15 years).

Administrative retirees who retired before 1/2/06 pay any premium in excess of the Kaiser single active rate. Administrative retirees who retired on or after January 2, 2006, pay $25 toward their monthly premium, plus any premium in excess of the Kaiser single active rate.

VTA also reimburses Medicare Part B premiums for administrative retirees eligible for Medicare. As of June 30, 2011 and 2010, respectively, 358 and 332 retirees met the eligibility requirements for the administrative retiree program.

VTA also provides life insurance benefits for all ATU retirees and Executive Management retirees. ATU retirees receive $5,000 in life insurance coverage. Executive Management retirees receive $50,000 in life insurance coverage for the first year of retirement, decreasing to $10,000 each year until its expiration in the sixth year.

C. VTA Contributions

VTA contributes to the Trust at the actuarially determined rates applied to eligible payroll sufficient to maintain funding of vested benefits. VTA's contributions to the Trust for the fiscal year ended June 30, 2011 and 2010 were made at a rate of 11.49 % and 11.7 % of covered payroll in accordance with the actuarially determined requirements. In addition, VTA transferred $101.7 million from its proprietary funds that were designated for payments for the retiree OPEB liability in fiscal year 2008. The transfer of the net assets of Retiree OPEB Program from Internal Service Fund to the Trust was to comply with GASB Statement 45.

D. Trust Termination

In the event of Trust termination, the net assets of the Trust would be allocated as prescribed in the Trust documents, generally to pay in the order indicated:

- VTA's remaining retiree OPEB liabilities
- Reasonable expenses of administering the Trust

Any assets remaining in the Trust after paying off the above liabilities shall revert back to VTA.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying basic financial statements are presented on the accrual basis of accounting. Contributions are recognized as revenue in the period in which employee services are performed, pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of contributions are recognized when due and payable under the provisions of the Trust.

B. Investments

Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price on the last business day of the fiscal year at current exchange rates. The fair market value of the investments in mutual funds of $88,989,602 and $67,320,894 at June 30, 2011 and 2010, respectively, was valued by the respective mutual fund management firms. Purchases and sales of securities are reflected on the trade date and investment income is recognized as earned.

C. Net Appreciation (Depreciation) on Investments

Net appreciation (depreciation) on investments represents unrealized gains and losses. Unrealized appreciation (depreciation) adjusts investment carrying amounts to reflect current market values, based on quoted prices in an active market.

D. Administrative Expenses

Certain internal costs of administering the Trust are paid by the Trust. Administrative expenses for the year ended June 30, 2011 and 2010 were $26,755 and 0, respectively.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – INVESTMENTS

The Trust has adopted an internally developed investment policy that is governed by the standards established in the California Constitution. In addition, the Trust has written investment policies regarding the type of investments that may be made specifically for the Trust and the amount, which may be invested in any one financial institution or amounts that may be invested in long-term instruments. Management believes the Trust has complied with the provisions of statutes pertaining to the types of investments held, institutions in which deposits were made, and security requirements.

The Trust maintains all of its operating cash funds in VTA's cash and investment pool. The pool functions as a demand deposit account for the Trust, as amounts can be withdrawn at any time upon demand. VTA's management and its Board of Directors are responsible for oversight of the cash and investment pool. Information regarding the characteristics of the entire investment pool can be found in the VTA's financial statements. That report may be obtained by writing to Santa Clara Valley Transportation Authority – Fiscal Resources Division, 3331 North First Street, San Jose, California, 95134. The fair market value of the Trust's position in the cash pool is the same as the value of the cash pool shares. As of June 30, 2011 and 2010 the Trust has $827,136 and $1,390,349, respectively, in VTA's cash and investment pool.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Trust will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Trust's investment policy provides for the use of a custodian/trustee to invest the Trust's assets as directed by investment managers. The Trust's investment securities were held by Union Bank Trust Department, a custodial bank, at June 30, 2011 and 2010 separate from the counterparty, in the name of Santa Clara Valley Transportation Authority (VTA). VTA's securities are not part of Union Bank's assets and not attachable by any of its creditors.

VTA held investments that are not registered in the name of the Trust but are held in a mutual fund as follows:

Type of Investment	June 30, 2011 Amount	Percent of Portfolio	June 30, 2010 Amount	Percent of Portfolio
State Street Global Advisors				
S&P 500 Conservative Index	$ 88,989,602	59.05%	$ 67,320,894	56.24%

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. One of the Trust's primary goals is to provide sufficient liquidity to meet future retirees' other post employment benefit obligations, however, the Trust does not have any policies specifically addressing interest rate risk.

The following table shows the time distribution for the maturity of the Trust's assets, other than equity-based securities and mutual funds which have no specific maturity dates, as of June 30, 2011:

Type of Investment	Fair Value	Less Than 1 Year	1 - 5 Years	Greater Than 6 Years
Corporate Obligations	$ 20,857,258	$ 81,290	$ 4,870,420	$ 15,905,548
U.S. Government agency obligations	29,225,964	349,443	324,850	28,551,671
U.S. Treasury obligations	10,624,743	8,215,248	2,409,495	-
Money market*	171,694	171,694	-	-
TOTAL	$ 60,879,659	$ 8,817,675	$ 7,604,765	$ 44,457,219

The following table shows the time distribution for the maturity of the Trust's assets, other than equity-based securities and mutual funds which have no specific maturity dates, as of June 30, 2010:

Type of Investment	Fair Value	Less Than 1 Year	1 - 5 Years	Greater Than 6 Years
Corporate Obligations	$ 20,017,978	$ -	$ 3,180,275	$ 16,837,703
U.S. Government agency obligations	24,938,663	74,088	932,869	23,931,706
U.S. Treasury obligations	4,990,160	4,990,160	-	-
Money market*	1,053,014	1,053,014	-	-
TOTAL	$ 50,999,815	$ 6,117,262	$ 4,113,144	$ 40,769,409

* The time distribution for the money market funds is based on the weighted average maturity of investments comprising the funds.

The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments have call provisions that could result in shorter maturity periods. The majority of U.S. Government agency obligations in the amount of $29,225,964 and $24,938,663 at June 30, 2011 and 2010, respectively, are backed by mortgage pass-through which is highly sensitive to interest rates changes. Therefore, if interest rates decline, the mortgages are subject to prepayment by borrowers.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by the nationally recognized statistical rating organizations. The Trust's investment policy has mitigated credit risk by prioritizing safety of principal above other investment objectives, by requiring third-party investment manager applicants to meet certain requirements, by diversifying the portfolio, and by establishing monitoring procedures.

The following is a summary of the credit quality distribution for investments with credit exposure as a percentage of total investments at June 30, 2011 and 2010 as rated by Standard and Poor's:

		Percentage of Portfolio	
Type of Investment	Rating	2011	2010
Corporate Obligations	AAA	0.24%	0.56%
	AA	1.26%	1.83%
	A	6.73%	7.14%
	BBB	5.62%	7.19%
U.S. Agency Securities	Not Applicable	19.39%	20.83%
U.S. Government Securities	Not Applicable	7.05%	4.17%
Pooled Cash with VTA Enterprise	Not Applicable	0.04%	0.24%
Pooled Investment with VTA Enterprise	Not Applicable	0.51%	0.92%
Money Market	Not Applicable	0.11%	0.88%
Mutual Funds	Not Applicable	59.05%	56.24%
TOTAL		100.0%	100.0%

Concentration of Credit Risk

Concentration of credit risk is the risk that the failure of anyone issuer would place an undue financial burden on the Trust. The Trust's investment policy mitigates the concentration of credit risk by identifying percentage ranges for different types of investments and specific targets within the percentage ranges. Disclosure of concentration of credit risk is defined as any investments with one issuer that are greater than 5% of the total Trust investments. As of June 30, 2011, the Trust had $6,795,544 or 4.5% of total Trust investments, invested in securities issued by Federal Home Loan Mortgage Corp, and $19,155,628 or 12.7% of total Trust investments, invested in securities issued by Federal National Mortgage Association (Fannie Mae). As of June 30, 2010, the Trust had $3,451,341 or 2.9% of total Trust investments, invested in securities issued by Federal Home Loan Mortgage Corp, and $18,341,999 or 15.3% of total Trust investments, invested in securities issued by Federal National Mortgage Association (Fannie Mae). Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from this requirement, as they are normally diversified themselves.

NOTE 4 – ANNUAL TRUST COST AND NET TRUST OBLIGATIONS

VTA's Annual Required Contribution (ARC) to the Trust is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual Required Contributions	$ (16,208,373)
Interest on Net Trust Obligations	-
Annual Trust Cost (Expense)	(16,208,373)
Contributions Made	15,370,931
Net Plan Asset, Beginning of Year	837,442
Net Plan Asset, End of Year	$ -

Net trust assets shown above represent the contributed amount above the ARC in fiscal years 2011 and 2010. The annual Trust cost, the percentage of annual Trust cost contributed to the Trust, and the net Trust asset for fiscal year ending 2011, 2010 and 2009 are as follows:

Year Ended June 30,	Annual Required Contribution	Amount Contributed	Percentage of Annual Trust Cost Contributed	Net Trust Asset
2011	$ (16,208,373)	$ 16,208,373	100%	$ -
2010	(14,848,823)	14,212,795	96%	837,442
2009	(15,349,685)	15,900,063	104%	1,473,470

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF FUNDING PROGRESS
FOR FISCAL YEAR ENDED JUNE 30, 2011

Funding Status and Funding Progress

Actuarial valuations of an ongoing Trust 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 Trust and 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, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

Schedule of Funding Progress for June 30, 2010, 2008 and 2007 is as follows: (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
7/1/2007	$ 101,738	$ 208,775	$ 107,037	48.7%	$ 153,176	69.9%
7/1/2008	104,404	225,482	121,078	46.3%	155,426	77.9%
7/1/2010	119,687	226,022	106,335	53.0%	140,601	75.6%

(a) The schedule of funding progress presents the most recent actuarial information regarding the funding progress of the Trust.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
RETIREES' OTHER POST EMPLOYMENT BENEFITS TRUST

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2011

Description		Methods/Assumptions
Valuation date		July 1, 2010
Funding Method		Entry Age Normal Cost, level percent of pay
Asset Valuation Method		Market value of assets
Remaining amortization period		18 years
Actuarial assumptions	Discount rate	4.5 if unfunded, 7.75% if funded
	Payroll growth	3.25% per year
	Inflation component	3.25%