



Item 14

Report on GASB 68 Reporting Requirements

November 16, 2015, Regular Board Meeting
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New GASB 68 Standards

- GASB is the independent, nonprofit, nongovernmental regulatory body charged with setting accounting and financial reporting standards for state and local governments
- GASB 68 is new standard for Accounting and Financial Reporting for Pensions
- June 2012 – GASB approved this new reporting standard
- FYE June 30, 2015 – Must be implemented

New GASB 68 Standards

- Report proportionate share of agency pension plan's Net Pension Liability (NPL)
- Reported on government-wide and proprietary fund financial statements
- Previously this type of reporting was not required
- Adds more extensive note disclosures

New GASB 68 Standards

■ Total Pension Liability (TPL)

- The present value of projected benefit payments to employees based on their past service

■ Fiduciary Net Position (FNP)

- Marked value of assets (the amount held in trust for paying retirement benefits)

■ Net Pension Liability (NPL)

- NPL is the difference between the TPL and the FNP (previously known as unfunded liability)

New GASB 68 Standards

NPL as of 06/30/2014

■ Total Pension Liability	\$15,797,183
■ Fiduciary Net Position	\$12,386,568

■ Net Pension Liability	\$ 3,410,615

New GASB 68 Standards

- FNP can change based on actual investment earnings – thus, reducing NPL
- GASB 68 is an accounting change only
- No change in CalPERS contribution rates
- No impact on District's current budget

New GASB 68 Standards

- GASB 68 report separate from CalPERS annual actuarial report
- Staff will bring funding strategy report next year

For More Information

- Staff reports and presentation materials can be found on the District's website at:

www.mpwmd.net

- PowerPoint presentations will be posted on the website the day after the meeting.