



## Item 12

Receive Pension Reporting Standards  
Government Accounting Standards Board  
Statement No. 68 Accounting Valuation  
Report

December 11, 2023, MPWMD Board Meeting  
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# What is GASB

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- A vertical photograph on the left side of the slide shows a river with a small waterfall cascading over rocks. The surrounding area is filled with dense green trees and foliage.
- Established in 1984, the Governmental Accounting Standards Board (GASB) is the independent, private-sector organization, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP)

# What is GASB 68

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- In June 2012, GASB approved new reporting statement, GASB No. 68
  - To be implemented by June 30, 2015 financials
  - Record net pension obligations on financial statements
  - District has complied since FY 2014-2015 financial statements

# PERS Retirement

- District provides pension benefits to employees through CalPERS:

Classic members (prior to January 1, 2013)

- 2% @55 PERS formula
- 12 Employees

PEPRA members (after January 1, 2013)

- 2% @62 PERS formula
- 12 Employees

# PERS Pension Liability

## ■ Total Pension Liability (TPL)

- The portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service as of the measurement date

# PERS Pension Liability

## ■ Fiduciary Net Position (FNP)

- The actual amount of assets held in the pension trust for a plan as of the measurement date (Also called the market value of assets)

## ■ Net Pension Liability (NPL)

- The difference between the Total Pension Liability and the Fiduciary Net Position as of the measurement date

# PERS Pension Liability

## ■ Net Pension Liability (3-years):

Measurement Date	06/30/2020	06/30/2021	06/30/2022
NPL	\$6,015,062	\$3,532,356	\$7,088,606
Change		-\$2,482,706	+\$3,556,250
Disc. Rate	7.000%	6.800%	6.800%
Invest. Rate	4.7%	21.3%	-6.1%
Fund Status (%)	72.00%	81.90%	70.70%
(\$)	\$200,000	\$300,000	\$400,000

# PERS Pension Liability

## ■ Change in liability:

■ **-\$3,556,250 (2022)** 

■ Change offset by investment rate -6.100% against expected return 6.800%

# PERS Pension Liability

## ■ Total net investment return:

Period	Rate
2022	-6.1%
2021	21.3%
2020	4.7%
2019	6.7%
2018	8.6%

Period	Rate
3 years	6.0%
5 years	6.7%
10 years	7.7%
20 years	6.9%
30 years	7.7%

# PERS Pension Liability

## ■ What has the District done:

- Created reserve to address unfunded pension obligation beginning 2018-2019; As of 06/30/2023, total of \$500,000
- Current FY 2023-2024 Budget includes additional \$100,000

# Recommendation

- Staff recommends receiving pension reporting standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report

# For More Information

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

[www.mpwmd.net](http://www.mpwmd.net)

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