



Public Hearing Item 13

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

December 12, 2022, MPWMD Board Meeting
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What is GASB

- 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

- 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

PEPRA members (after January 1, 2013)

- 2% @62 PERS formula

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	06/30/2019	06/30/2020	06/30/2021
NPL	\$5,560,550	\$6,015,062	\$3,532,356
Change		+\$454,512	-\$2,482,706
Disc. Rate	7.250%	7.000%	6.800%
Invest. Rate	6.7%	4.7%	21.3%
Fund Status (%)	73.30%	72.00%	81.90%
(\$)	\$100,000	\$200,000	\$300,000

PERS Pension Liability

■ Change in liability:

- **-\$2,482,706 (2021)** 
- Discount changes from 7.000% to 6.800%
- Change offset by investment rate 21.300% against expected return 6.800%

PERS Pension Liability

■ Total net investment return:

Period	Rate
2021	21.3%
2020	4.7%
2019	6.7%
2018	8.6%
2017	11.2%

Period	Rate
3 years	10.7%
5 years	10.3%
10 years	8.5%
20 years	6.9%
30 years	8.4%

PERS Pension Liability

- What has the District done:
 - Created reserve to address unfunded pension obligation beginning 2018-2019; As of 06/30/2022, total of \$400,000
 - Current FY 2022-2023 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

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